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ABSTRACT

This report summarizes the program activities and research and evaluation projects sponsored by the U.S. Department of Labor's Employment and Training Administration (ETA) during program year 1990 and fiscal year 1991. Chapter 1, which focuses on program activities, discusses the activities of advisory groups and other initiatives undertaken during the reporting period and reports on developments in the following individual programs for which ETA is responsible: Job Training Partnership Act programs, Job Training for the Homeless Demonstration, Apprenticeship, Senior Community Service Employment Program, Employment Service, Unemployment Insurance, Trade Adjustment Assistance, and Labor Surplus Areas Program. The activities of the National Commission for Employment Policy and the National Occupational Information Coordinating Committee are also summarized. Chapter 2 reports the findings of five major research and evaluation projects in the area of strengthening work force quality, seven labor market studies of specific groups, and seven program development and improvement initiatives. Thirty-four figures/tables, an annotated bibliography of 20 research and evaluation reports completed during program year 1990, and a statistical appendix of 17 tables are included. (MN)

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Training and Employment Report Of the Secretary of Labor

Covering the Period July 1990–September 1991

U.S. Department of Labor
Employment and Training Administration
1994

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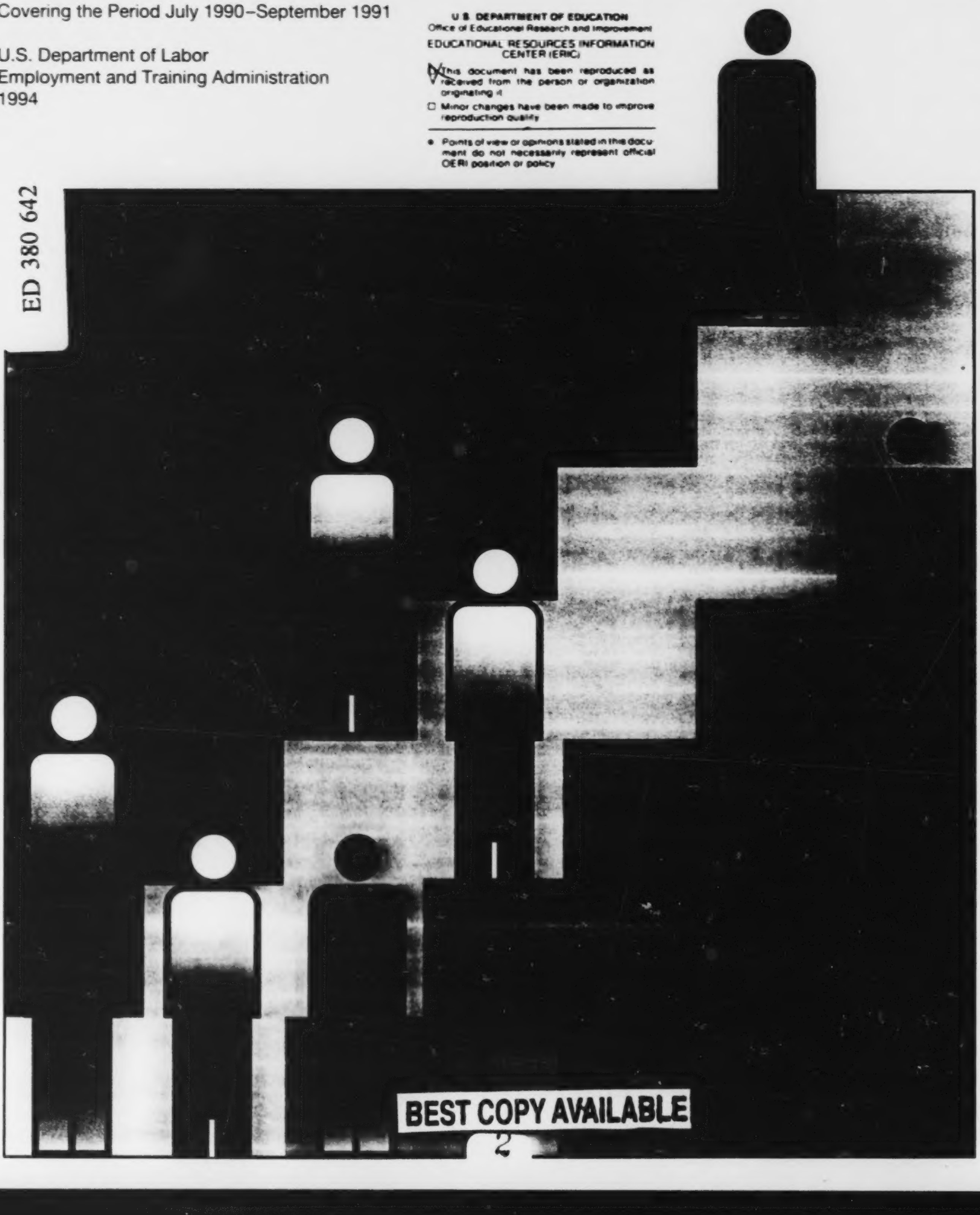

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Training and Employment Report Of the Secretary of Labor

Covering the Period July 1990–September 1991

Transmitted to Congress, 1994

U.S. Department of Labor
Robert B. Reich, Secretary

Employment and Training Administration
Doug Ross, Assistant Secretary of Labor

Office of Strategic Planning and Policy Development
Raymond J. Uhalde, Deputy Assistant Secretary of Labor

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U.S. DEPARTMENT OF LABOR
SECRETARY OF LABOR
WASHINGTON, D.C.

To the Congress of the United States:

I am transmitting to the Congress the annual report on training and employment programs for Program Year 1990 and Fiscal Year 1991. The report is required by Section 169(d) of the Job Training Partnership Act.

As you are aware, the Clinton Administration has proposed the Reemployment Act of 1994 which consolidates existing dislocated worker programs and creates One-Stop Career Centers that will provide all Americans with access to information on employment opportunities, job training, education, and other services. Other features of the proposal include a focus on customers that will provide them with meaningful training and employment choices, market-driven training programs designed to connect workers with jobs with career potential, and a new system of program accountability.

I look forward to working with you on this proposal as it moves through the Congress.

Sincerely,

Robert B. Reich

July 1994

Acknowledgements

This edition of the *Training and Employment Report of the Secretary of Labor* was written under the direction of the Department of Labor's Employment and Training Administration (ETA), Office of Strategic Planning and Policy Development. It was prepared under Department Contract No. J-9-A-1-0040 by Oliver & Associates: Frances Oliver and Michael Landini. The project manager for the contract was Abby Martin, who was assisted by Mary Vines.

The major components of ETA contributed material and valuable assistance. The text was reviewed by appropriate agencies within the Department and by the Office of Management and Budget.

CHAPTER 1

PROGRAM ACTIVITIES

PROGRAM ACTIVITIES

INTRODUCTION

Chapter 1 of this edition of the annual *Training and Employment Report of the Secretary of Labor* examines programs of the Department of Labor's Employment and Training Administration (ETA) during Program Year 1990 (July 1990-June 1991) and Fiscal Year 1991 (October 1990-September 1991). ETA is the Federal agency that oversees the Nation's major job training, employment, and unemployment compensation programs.

Job-related activities of the Department during the period reflect a strategic approach to realizing long-term employment security for all American workers, which is dependent on workers' skills and their willingness to learn, change, and grow. Special activities included the work of the Secretary's Commission on Achieving Necessary Skills (SCANS) and the National Advisory Commission on Work-Based Learning. The Department also did the staff work associated with the development of amendments to the Job Training Partnership Act (JTPA).

This introductory section of Chapter 1 discusses activities of both advisory groups and other initiatives undertaken during the *Report* period.

The main body of the chapter reports on developments in the individual programs for which ETA is responsible. These are: JTPA programs, the Job Training for the Homeless Demonstration, Apprenticeship, the Senior Community Service Employment Program, the Employment Service, Unemployment Insurance, Trade Adjustment Assistance, and the Labor Surplus Areas Program. It also summarizes the activities of two independent Federal committees responsible for job training and employment-related activities, the National Commission for Employment Policy (NCEP) and the National Occupational Information Coordinating Committee (NOICC).

Secretary's Commission on Achieving Necessary Skills

Established in February 1990, the Secretary's Commission on Achieving Necessary Skills was composed of 31 business, labor, education, and government representatives. Its goal was to foster awareness of the importance of ensuring that students and workers have the opportunity to master the skills, or workplace know-how, associated with quality jobs.

During the *Report* period, the Commission staff conducted research on the basic skills needed to close the gap between educational achievement and workplace requirements for high school students, and they held numerous meetings on this issue with educators, business owners, public employers, managers and supervisors, union officials, and front-line workers.

As a result of its research and discussions with experts, SCANS concluded that students must develop five competencies and a three-part foundation of skills—defined as workplace know-how—to secure good jobs. The competencies are related to resources, interpersonal skills, information, systems, and technology. The three elements of the foundation are basic skills, thinking skills, and certain personal qualities.

The findings of the SCANS research were issued in June 1991 in a report entitled *What Work Requires of Schools: A SCANS Report for America 2000*. The report, summarized in Chapter 2, stimulated a national dialogue on work readiness.

As part of this dialogue, Department staff participated in meetings in over 1,000 communities. These sessions engaged representatives of businesses, unions, schools, parents, and students in the skills improvement process. In addition, the Department planned to incorporate SCANS principles into the development of voluntary skill standards, Job Corps training, and other JTPA programs.[1]

National Advisory Commission on Work-Based Learning

In October 1990, the Secretary of Labor appointed a special commission of business, education, and labor leaders to advise the Department on ways to increase the skill levels of the American workforce and to expand access to work-based learning at all stages of workers' careers. Chartered for a two-year period, the National Advisory Commission on Work-Based Learning focused during the *Report* period on developing work-based learning systems and promoting effective work systems to improve productivity and quality throughout the American economy. The Commission also worked to develop voluntary skill standards and certify worker competencies.

During its first year, the Commission examined successful companies and public programs to identify critical elements of high-quality work and learning in the American workplace and held briefings with business and government leaders on related issues. The Commission concluded that:

- Increasing only workers' skills will not necessarily lead to improvements in productivity; companies must develop new "quality systems" to fully utilize those skills.
- Those two elements—the skills of the workforce and "quality systems" to make full use of those skills—are the keys to global competitiveness.
- Corporate strategies that focus on just one factor —skills, technology, or organizational culture and systems—produce only limited results; it is the integration of these factors through "quality systems" which leads to significant increases in productivity.
- "Work-based learning" is the process that successfully integrates these factors.[2]
- The productivity gains from work-based learning are greater than the gains achieved from investments in capital or formal education prior to work.
- The country that successfully capitalizes on the potential of work-based learning will achieve a competitive advantage.

The Commission focused on change. To that end, it identified strategic action steps for the Department to undertake in six areas: (1) developing a national framework of voluntary skill standards and certification; (2) integrating human resource development and the introduction of new technology; (3) promoting labor-management cooperation to implement work-based learning; (4) developing new human resource accounting models that promote investment in people; (5) managing cultural diversity as a corporate strategic asset; and (6) developing a national award for quality human resource management systems.[3]

Proposed JTPA Legislation

In May 1991, the Administration transmitted to Congress a draft bill entitled the "Job Training Partnership Act Amendments of 1991." Department personnel did staff work associated with developing the proposal and provided members of Congress and their staffs with technical assistance related to the amendments, which were enacted as the Job Training Reform Amendments of 1992 (P.L. 102-367). The amendments' effective date was July 1, 1993.

While JTPA has been a successful employment and training program, these amendments were designed to enhance the program by better focusing its resources on those in substantial need and serving them in a manner that will more effectively promote job placement, retention, and long-term employability. Specifically, the amendments: (1) target the program on those disadvantaged persons with serious skill deficiencies; (2) individualize and intensify the quality of services provided; (3) establish a separate year-round youth title to complement the summer jobs program; (4) institute new, rigorous fiscal and procurement controls in order to strengthen program accountability; (5) create a new national capacity building and replication program to improve program quality and the skills of staff who administer and deliver JTPA services; and (6) authorize the creation of State human resource investment councils to provide Governors with an important new tool for planning and overseeing a coherent statewide system of vocational education and training.

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[1] In PY 1991, SCANS issued its final report, *Learning a Living: A Blueprint for High Performance,* marking the beginning of a new phase for the Department in improving work readiness. This new phase reinforced Departmental efforts to strengthen the link between school and work. The Department played a leading role in encouraging the establishment of active partnerships among educators, employers, and others to incorporate the SCANS principles into the classroom and workplace. To support this effort, the Department commissioned a comprehensive research effort to develop measurements to assess student and worker proficiency levels for SCANS-defined skills.

[2] The concept of work-based learning attempts to apply the successful principles of the apprenticeship method of experiential learning beyond their traditional base in the building and manufacturing trades to other fields.

[3] In its second year, the Commission spearheaded the national dialogue on the creation of voluntary skill standards and certification to promote quality and ensure portability of skills across industries and geographic regions. As part of this effort, the Departments of Labor and Education convened public hearings on standards certification at five locations across the country, planned a series of pilot projects to develop industry standards on a trial basis, initiated research necessary to support the hearings and pilots, and provided leadership to groups outside the Federal Government which are pursuing the same agenda.

Other Special Initiatives

Other key Departmental activities during the *Report* period included a Secretarial initiative to promote and support increased employment of women in the skilled trades, development of a joint program with the Defense Department to assist workers dislocated by reductions in defense spending, the Youth Opportunities Unlimited initiative, work-based learning and school-to-work demonstrations, and release of a revised version of the *Dictionary of Occupational Titles (DOT)*. All of these activities are described in the appropriate program sections of this chapter.

JOB TRAINING PARTNERSHIP ACT PROGRAMS

JTPA authorizes the Nation's largest federally funded system of job training programs. These programs are designed to prepare economically disadvantaged youths and adults and dislocated workers for jobs in the private sector.

Under the JTPA legislation, the Department sets broad program policy; allocates funds to the States; prescribes standards for program performance; ensures program and fiscal integrity through monitoring and auditing; provides technical assistance to States and local program operators; evaluates programs and supports research; and directly administers programs for certain groups of workers.

State and local governments, however, in partnership with the private sector, are responsible for managing and administering most JTPA programs. Governors approve locally developed plans and are responsible for monitoring programs to ensure compliance with Federal regulations and standards.

The accompanying box describes the administrative structure for the delivery of job training services and the system of performance standards utilized by JTPA.

This edition of the *Report* covers JTPA operations in Program Year (PY) 1990—July 1, 1990, through June 30, 1991. During this period, the Department administered JTPA programs that served approxi-

The Training Delivery System and Performance Standards

State Job Training Coordinating Councils (SJTCCs) provide Governors with advice and counsel on training components of the Act and recommend the designation of Service Delivery Areas. Members are appointed by Governors, and they represent business, State legislatures, State agencies, local government and educational agencies, labor, community-based organizations, and the general public.

Service Delivery Areas (SDAs) are the administrative districts into which the Nation is divided for JTPA purposes. They are designated by the Governors to receive Federal job training funds. Among the areas automatically eligible to be SDAs are units of local government with populations of 200,000 or more. There were 639 SDAs during PY 1990.

Private Industry Councils (PICs) are established by local elected officials in each SDA to provide guidance and oversight for job training programs at the SDA level. PICs bring representatives from various segments of the private sector into the active management of job training programs. PIC membership includes representatives from business, educational agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public Employment Service. The majority of a PIC's members must represent business and industry within the SDA, and the PIC chairperson must be a business representative.

Performance Standards reflect JTPA's emphasis on training outcomes and State and local accountability. Through quantified measures of performance, performance standards gauge how well the JTPA system is meeting the Department's objectives, measuring program outcomes for Titles II-A and III and several programs in Title IV.

Table 1. JTPA Expenditure and Participant Levels for Selected Programs, PY 1990

Title	Expenditures (Millions)	Participants
II-A: Adult and Youth	$1,700.0	1,100,000
II-B: Summer Youth[a]	698.8	566,000
III: Dislocated Workers	400.3	290,300
IV: National Programs:		
Indian and Native Americans	57.6	28,000
Migrants and Seasonal Farmworkers	66.7	53,500
Job Corps	784.1	100,000

Note: The total number of persons served by JTPA represents the total number of participants served under the individual titles. Some participants were enrolled under more than one title at different times during the year.

[a] The summer figures (Title II-B) are for the summer of 1991. They include Indian and Native American youth programs, as well as SDA programs.

Source: U.S. Department of Labor, Employment and Training Administration.

mately 2.2 million persons, with expenditures totaling $3.8 billion.[4] Table 1 presents summary information on the number of participants and expenditures for selected programs during the *Report* period.

For millions of people (many of whom have been at high risk of failure in the job market), JTPA has offered a second chance for success in the workplace. In PY 1990, the Department hosted the fourth annual JTPA Presidential Awards ceremony to recognize both outstanding private sector volunteers and job training ventures that had contributed to the success of the nationwide program during the 1989 program year.

Awards were made to 18 individuals and groups—14 winners and four honorable mentions. All were cited for making exemplary contributions to the Nation's job training and employment system, and were honored for their commitment to the programs, their ability to coordinate various resources to provide streamlined services, and their delivery of effective training services.

Nominations for awards were made by Governors, who were encouraged to solicit recommendations from their JTPA partners—including Private Industry Councils, organized labor, business leaders, chief elected officials, and community-based organizations. After review and evaluation by Department staff and an outside panel of training and employment experts, the Secretary made the final selections.

The following sections describe services and programs authorized under Titles II, III, and IV during PY 1990. The discussion includes a brief description of each program's operations, participant outcomes, and performance standards.

Adult and Youth Programs, Title II-A

Title II-A, JTPA's basic block grant program, provided training and other services during PY 1990 for approximately 1.1 million participants—economically disadvantaged adults and youth, and others who faced significant employment barriers. Services offered included classroom and on-the-job training (OJT), job search assistance, work experience, remedial education, supportive services, and other types of job-related assistance, such as counseling and skills assessment. Expenditures during the period totaled $1.7 billion.[5]

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[4] The number of persons served by JTPA represents the total number of participants served under the individual titles (Titles II, III, and IV, including veterans' programs). Some participants were enrolled under more than one title. Expenditures cover costs of Titles II, III, and IV, including veterans' activities.

According to a formula based on the relative shares of jobless and economically disadvantaged persons in each State, funds were made available for local programs through grants to States. Seventy-eight percent of a State's Title II-A funds were allocated by formula to local SDAs. States retained the remaining 22 percent of funds for: (1) coordination with State education programs (8%); (2) incentive grants for programs exceeding performance standards or technical assistance for programs that failed to meet the standards (6%); (3) training programs for older workers (3%); and (4) State administrative responsibilities, including support for the State Job Training Coordinating Council (5%).

Most of the Title II-A projects were provided by the network of 639 SDAs across the Nation. These SDA programs served nearly 826,000 persons in PY 1990, or 75 percent of the title's total enrollment.

Chart 1 shows the services provided to and average wage at placement for terminees in PY 1990. Participants in OJT and job search assistance had the highest entered employment rates, followed by those receiving work experience, classroom training, and other services. The average length of stay in these programs was 24 weeks. Chart 2 illustrates the increase in the median length of stay in JTPA Title II-A since PY 1984, the first full year Title II-A programs were operational.

Participant characteristics significantly changed in PY 1990. Increased coordination with the Job Opportunities and Basic Skills (JOBS) training program resulted in a rise in the participation of single heads of households (up two percentage points for adults from PY 1989) and of women (also up two percentage points for adults from PY 1989). In addition, the proportion of adult terminees who were welfare recipients increased from 28 percent in PY 1989 to 32 percent in PY 1990.

By statute, up to 10 percent of Title II-A participants are not required to be economically disadvantaged if they face other barriers to employment. Ninety-three percent of the participants were economically disadvantaged in PY 1990. Table 2 lists the participant characteristics of adult and youth Title II-A terminees.

In PY 1990, the Title II-A program placed into jobs 194,000 adults and 104,000 youth, 63 percent and 44 percent of terminees, respectively. The welfare entered employment rate was 53 percent. The average hourly wage at placement for all terminees was $5.53 (Chart 1 shows the breakdown by program category); for adults, it was $5.85. The youth positive termination rate was 72 percent.

Title II-A performance standards were generally met or exceeded during the period covered by the *Report*, as noted when comparing the standards listed in Table 3 with the following PY 1990 program outcomes:

- Youth entered employment rate—44 percent
- Youth employability enhancement rate—44 percent
- Adult follow-up employment rate—61.1 percent
- Welfare follow-up employment rate—51.3 percent
- Adult follow-up weekly earnings—$228
- Follow-up welfare weekly earnings—$216

The measures for the Title II-A performance standards which went into effect in PY 1990 reflect the following Department of Labor goals: targeting services on a more at-risk population; improving the quality and intensity of services that lead to long-term employability and increased earnings; placing greater emphasis on basic skills acquisition; improving participants' ability to qualify for employment or advanced education and training; and promoting comprehensive, coordinated human resource programs to address the multiple needs of at-risk populations.

Cost standards were eliminated beginning in PY 1990 because experience showed that the standards discouraged the system from providing hard-to-serve clients with needed intensive training and services.

The adult and welfare follow-up measures indicate a program's ability to contribute to participants' longer-term employability and economic self-sufficiency, as measured 13 weeks after leaving the program. The youth measures reinforce Departmental emphasis on the development of employability skills and employment—including the acquisition of educational and vocational credentials—and dropout prevention and recovery.

In addition to providing information on these outcomes, the reporting system was expanded in PY 1990 to include data on the level of service to additional hard-to-serve groups, including homeless individuals, persons with multiple barriers to employment, persons lacking a significant work history, JOBS program participants, and veterans.

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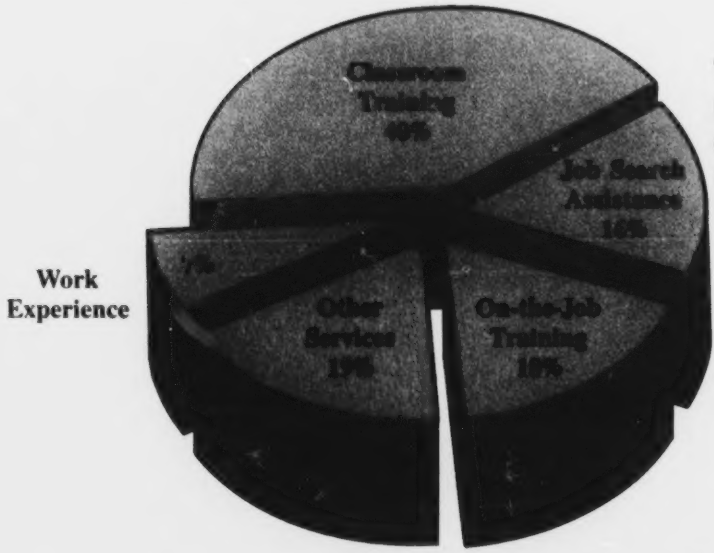
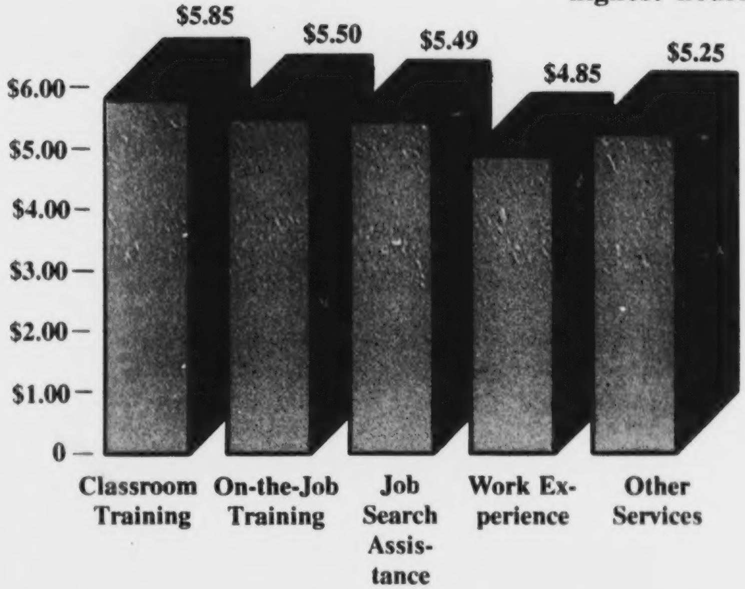
[5] Title II-A expenditures are from the JTPA Semiannual Status Report. Title II-A participant data are from the JTPA Annual Status Report, except the following, which are from the Job Training Quarterly Survey (JTQS): percent of economically disadvantaged participants, entered employment rates by program activity, percentage of clients served by program activity, and hourly wage by program activity. All participant characteristics and experiences are those of PY 1990 terminees—that is, persons who left JTPA programs during the program year. (The JTQS provides information on a nationally representative sample of terminees.)

Chart 1. Services Received and Average Hourly Wage at Termination for JTPA Title II-A Terminees, PY 1990



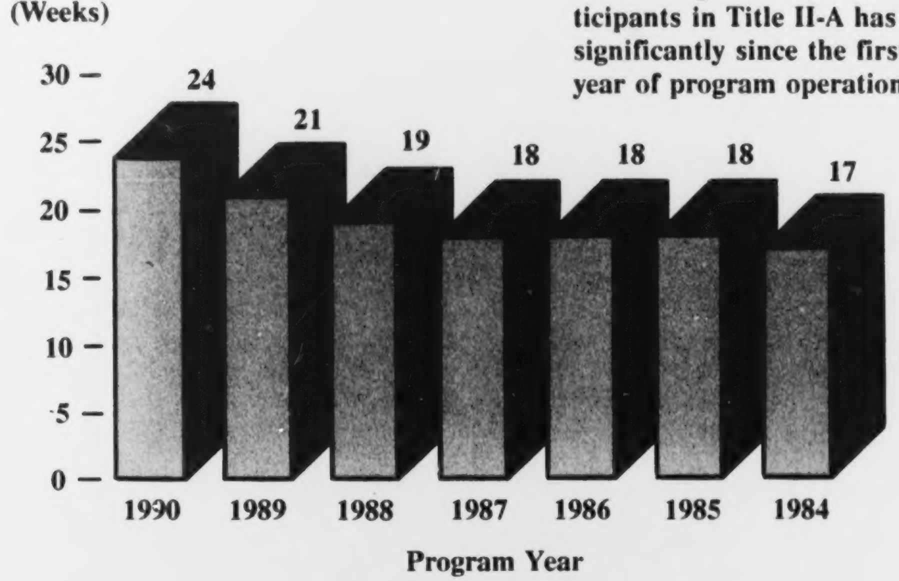
Two-fifths of JTPA terminees received classroom training services . . .

. . . and classroom training terminees received the highest hourly wages



Source: U.S. Department of Labor, Employment and Training Administration.

Chart 2. Average Length of Stay for Title II-A Terminees, PY 1984 - PY 1990



The average number of weeks for participants in Title II-A has increased significantly since the first full year of program operations.

Source: U.S. Department of Labor, Employment and Training Administration.

Governors retained their discretion to establish additional noncost standards to reflect State policy and the authority to modify national standards to account for local conditions that can have an impact on SDA performance, such as economic factors and participant mix. The Department annually updates an adjustment model that helps Governors set standards for their SDAs and prevents SDAs from being penalized for operating in an economically depressed environment or for serving large numbers of hard-to-serve participants.

During the period covered by the *Report*, a decision was made to retain the PY 1990-1991 performance standards measures for PY 1992. This provided some stability in the JTPA system in anticipation of operational changes resulting from the pending JTPA amendments and from implementation of the new participant-level reporting requirements embodied in the Standardized Participant Information Report (SPIR) for Titles II-A and III. Changes were made to the *level* of the two earnings standards, however, to account for inflation and changes in the minimum wage after PY 1990. The adjustment models also were updated to account for changed economic conditions and to incorporate new hard-to-serve "characteristics" (homeless, veteran, and lack of significant work history).

Table 3 documents the changes in performance standards over the PY 1988-PY 1992 period.

As part of an ongoing technical assistance effort, training was held for the JTPA community at three sites in PY 1990. The training was designed both to ensure proper use and application of performance standards and to provide the JTPA system with the

Table 2. JTPA Titles II-A and II-B Selected Participant Characteristics (Percent Distribution), PY 1990

Characteristic	Title II-A: Adult	Title II-A: Youth	Title II-B
Sex:			
Male	42	48	50
Female	58	52	50
Age:			
14-15	—	15	42
16-21	—	85	58
22-54	97	—	—
55+	3	—	—
Education:			
Dropout	26	27	4
Student	—	47	87
HS graduate	73	26	9
Race/Ethnicity:			
White	52	42	30
Black	31	36	40
Hispanic	14	18	26
Native American	2	2	1
Asian	2	2	3
Limited English	5	3	6
Handicapped	10	14	15
Single Head of Household	34	11	3

Note: Title II-A data are based on characteristics of terminees—persons who left JTPA during PY 1990—and are for programs operated by Service Delivery Areas. Title II-B data, also for programs operated by SDAs, are for the summer of 1991. Figures may not add to 100 percent due to rounding.

Source: JTPA Annual Status Report for Title II-A and Summer Youth Performance Report for Title II-B. U.S. Department of Labor, Employment and Training Administration.

latest information on Department initiatives, research, and measures to improve quality. In addition to the traditional technical tracks on reporting and standards calculations, major topics covered during the three sessions included linkages among human services programs, effective OJT programs, and use of follow-up data for program management and evaluation.

During the *Report* period, the Department continued its involvement in a jointly funded, three-year technical assistance effort to help implement the JOBS program, which is the welfare-to-work initiative enacted as a core part of the Family Support Act of 1988 (P.L. 100-485).

Administered at the national level by the Department of Health and Human Services, JOBS is designed to educate, train, and employ recipients of Aid to Families with Dependent Children (AFDC) and thus assist them to become self-sufficient. Fundamental to its design and operation is the coordination of efforts that provide education and training services to a similar clientele, including participants in JTPA Title II-A programs. The technical assistance effort is a result of an interagency agreement among the Departments of Health and Human Services, Education, and Labor.

Table 3. Title II-A Performance Standards

Measure	PY 1988-1989	PY 1990-1991	PY 1992
Title II-A Adult			
Entered Employment Rate	68%	—	—
Cost Per Entered Employment	$4,500	—	—
Average Wage at Placement	$4.95	—	—
Welfare Entered Employment Rate	56%	—	—
Title II-A Youth			
Entered Employment Rate	45%	45%	45%
Positive Termination Rate	75%	—	—
Employability Enhancement	30%	33%	33%
Cost Per Positive Termination	$4,900	—	—
Post-Program			
Adult Follow-Up Employment Rate	60%	62%	62%
Welfare Follow-Up Employment Rate	50%	51%	51%
Follow-Up Weeks Worked	8	—	—
Adult Follow-Up Weekly Earnings	$177	$204	$228
Welfare Follow-Up Weekly Earnings	—	$182	$207

Source: U.S. Department of Labor, Employment and Training Administration.

Summary Youth Programs, Title II-B

Title II-B provides economically disadvantaged youth with jobs, education, and training during the summer months. Funds were distributed to the States and to SDAs in PY 1990 by the same formula used for Title II-A monies.

The Summer Youth Employment and Training Programs (SYETP) are conducted by SDAs, which are required to assess the reading and math levels of eligible Title II-B participants and provide basic remedial education services for enrollees who do not meet locally determined education standards. In addition to education services and work experience with public and private nonprofit agencies, summer participants may receive classroom training and on-the-job training, counseling, and other supportive services.

In the summer of 1991, SYETP provided jobs, education, and training for over 555,000 participants. Total SDA summer expenditures were more than $686 million.[6]

Participant characteristics in 1991 were similar to those of the previous year. However, there was an 11 percent increase in participants who were single heads of households with dependents under 18 years of age (17,300 in 1991), and a two percent increase in participants with disabilities (83,656 in 1991). Participant characteristics are displayed in Table 2.

Dislocated Worker Programs, Title III

Title III of JTPA authorizes employment-related services for dislocated workers through the Economic Dislocation and Worker Adjustment Assistance (EDWAA) program. Services include basic readjustment, such as early intervention assistance, job search, job and career counseling, and relocation assistance; retraining; support services; and needs-related payments. The primary emphasis is on retraining, by requiring that at least 50 percent of substate expenditures be spent on such activities (although this requirement may be waived by the Governor down to 30 percent).

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[6] This *Report* discusses the 1991 summer program because funds for it were included in the JTPA appropriations for PY 1990. The source of statistics on these programs is the JTPA Summer Performance Report.

PY 1990 was EDWAA's second year of operation; the program replaced the original Title III of JTPA in July 1989. More than 290,000 dislocated workers participated in EDWAA during the period, and expenditures totaled $400 million.[7]

Eighty percent of the Title III appropriation is allotted by formula to the States. Up to 40 percent of each State's allotment may be reserved by the Governor for designated dislocated worker activities, including the establishment of a Dislocated Worker Unit responsible for coordinating local programs across the State and for providing a rapid response to plant closure and substantial layoffs. The remaining 60 percent of a State's allotment must be distributed to substate areas to provide retraining and other services at the local level.

The other 20 percent of the Title III appropriation is retained in the Secretary's National Reserve Account for discretionary projects serving workers affected by plant closings and mass layoffs, projects in areas of special need, technical assistance and training, and exemplary and demonstration programs, including emergency response to natural disasters. Discretionary funds are awarded in response to applications that may be submitted at any time throughout a program year and can be spent for up to two additional program years.

Expenditures of formula funds totaled nearly $342 million in PY 1990, an increase of more than $83 million over the previous year. As required by legislation, excess unexpended formula funds are recaptured and reallotted to States annually; funds recaptured in PY 1990 totaled approximately $1.8 million, a significant decrease from PY 1989. Expenditures for discretionary projects during the year totaled nearly $59 million.

Almost $87 million in new awards was granted for discretionary projects in 28 States in PY 1990. (This figure excludes technical assistance, demonstration programs, and funds reserved for territories.)

The number of terminees entering employment approximated 120,000, or 70 percent of all terminees. The cost per participant was $1,379, the average length of participation was 23 weeks, and the average hourly wage at termination was $7.82. These outcomes represent an improvement over earlier years and are consistent with EDWAA's emphasis on longer-term, higher-quality training.

Title III performance standards have not changed since PY 1988, and the national standard for the entered employment rate remained 64 percent for PY 1990. In addition, Governors are encouraged to set an average wage at placement standard for dislocated worker programs.

During 1990, Congress authorized two programs to provide retraining and support services for specific groups of dislocated workers: (1) the Defense Conversion Adjustment Program (DCAP) and (2) the Clean Air Employment Transition Assistance (CAETA) program.[8] Under both programs, funds are provided to eligible grantees based on proposals submitted to the Secretary.

The Department undertook a number of activities during the *Report* period in preparation for the DCAP program, which is authorized by an amendment to JTPA and which began in early PY 1991. A Memorandum of Agreement was developed by the Departments of Labor and Defense, allowing funds to be transferred from Defense to Labor and defining the coordination procedures to be used by both Departments for reviewing applications.

The Secretaries of the two Departments are members of the President's Committee on Economic Adjustment, which coordinates the Federal response to base closings. Both agencies (and others represented on the Committee) will work with affected communities to help prepare for subsequent dislocations. The Department of Defense will have the lead in implementing any base closings, as well as overall community readjustment activities, and it will also be responsible for certifying worker eligibility for the DCAP program. The Department of Labor will consult regularly with the Department of Defense and share information with State and local employment and training systems to ensure they are mobilized and can focus their resources when workers are laid off.

Eligible grantees for DCAP and CAETA funds are States, substate area grantees designated under Title III, employers, employer associations, and representatives of employees. The Department expects potential grantees to use existing Title III formula funds before applying for discretionary funds. Many defense-related dislocated workers were already being served under Title III discretionary programs. In PY 1990, 12 such projects in 10 States were funded from the discretionary account, for a total of $32 million.

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[7] The source of the Title III expenditure data is the JTPA Semiannual Status Report and the Worker Adjustment Program Quarterly Financial Report. Participant data is from the JTPA Annual Status Report and the Worker Adjustment Annual Program Report.

[8] The CAETA program will provide assistance for workers dislocated as a result of compliance with the provisions of the Clean Air Act. Appropriations for CAETA were authorized in FY 1991. There were no applicants for CAETA funds through PY 1991.

The Department of Defense may transfer up to $150 million to Labor through FY 1997 to serve 70,000-80,000 civilians specifically affected by the Defense-related cuts. Those eligible include civilian workers dislocated as a result of military base closings or realignments, as well as those workers affected by defense contracting cutbacks. The funds are being used exclusively for retraining and reemployment-related assistance, and include such services as counseling, job development, and relocation assistance.

The Department will also implement the demonstration authority contained in DCAP to encourage and promote innovative responses to defense-related dislocations. The Department's goal for the demonstration program will be to ensure effective and successful approaches for later replication in other areas affected by defense reductions.

While many bases are not scheduled to close for several years, advance warning provides State and community leaders with the opportunity to work with employers and workers to assess the local employment situation. Through this assessment, a thorough and comprehensive action plan can be developed before workers actually lose their jobs and need the retraining and readjustment services under DCAP.

Summaries of evaluation studies of dislocated worker programs and Title III demonstration projects appear in Chapter 2.

Table 4 provides data on selected participant characteristics and program activity for Title III.

National Programs, Title IV

Title IV authorizes the Job Corps and programs for Indians and Native Americans, migrant and seasonal farmworkers, and veterans, which are administered directly by the Department. Title IV also authorizes the National Commission for Employment Policy, the National Occupational Information Coordinating Committee, and federally administered technical assistance, labor market information, research and evaluation, and pilots and demonstrations.

Four categories of Title IV activities are discussed in this section: programs for Indians and Native Americans, programs for migrants and seasonal farmworkers, the Job Corps, and pilot and demonstration programs.[9]

Indian and Native American Programs

To help eligible individuals prepare for and hold productive jobs, Indian and Native American (INA) programs offer their clients job training, job referrals, counseling, and other employment-related services, such as child care, transportation, and training allowances. Those eligible for the programs include Indians, Eskimos, Aleuts, Hawaiians, and other persons of Native American descent who are economically disadvantaged, unemployed, or underemployed.

In PY 1990, approximately 28,000 Native American participants were served through such programs, which were operated by 182 program grantees serving all 50 States and the District of Columbia. Grantees included Indian tribes, other Native American communities, and various related organizations. Their expenditures totaled $57.6 million. Fifty-one percent of those who terminated from INA programs were female, 27 percent were age 21 or younger, and 23 percent were high school dropouts. Thirty-three percent of all participants received support services, 32 percent enrolled in classroom training, and 21 percent received work experience. The remainder received on-the-job training (nine percent) and community service employment (six percent).

Approximately 54 percent of the 23,500 participants who left the programs were placed in jobs. Another 32 percent were classified as "additional positive terminations," indicating that they returned to school, entered another training program, or successfully achieved a planned program objective other than immediate job placement after receiving JTPA services.

During the *Report* period, the Department continued to promote the provision of literacy instruction to INA participants and encouraged grantees to coordinate their activities with those of other human resource service providers.

In addition to programs authorized under JTPA Title IV-A, INA grantees received JTPA Title II-B funds to operate summer programs for Native American youth. Approximately 11,000 Native American youth participated in such programs in the summer of 1991, at a cost of $12.5 million.

Indian and Native American grantees were required to meet three performance standards: (1) an entered employment rate; (2) a positive termination rate; and

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[9] The activities of NCEP and NOICC are described at the end of this chapter. Veterans' services, administered by the Department of Labor's Office of the Assistant Secretary for Veterans' Employment and Training, are reviewed in the Secretary's annual report on veterans' activities. These programs are targeted to veterans with service-connected disabilities, veterans of the Vietnam era, and veterans recently separated from military service.

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Table 4 . JTPA Title III Selected Participant Characteristics and Program Activity (Percent Distribution), PY 1990

Characteristic:	
Sex:	
Male	55%
Female	45
Age:	
29 and under	24
30-54 years	68
55 and over	8
Education:	
Less than high school	15
High school graduate	50
Post high school attendee	35
College graduate and above	9
Race/Ethnicity:	
White	71
Black	17
Hispanic	9
Native American	1
Asian	2
Unemployment Insurance Claimant	54
Limited English	3
Handicapped	3
Single Head of Household	12
Program Activity:	
Classroom Training	38
On-the-Job Training	17
Job Search Assistance	26
Other	19

Note: All data reflect characteristics/activities of terminees. Figures may not add to 100 percent due to rounding.

Source: Statistics on characteristics are from the JTPA Annual Status Report and the Worker Adjustment Annual Program Report; data on program activity are from the Job Training Quarterly Survey. U.S. Department of Labor, Employment and Training Administration.

(3) a cost per positive termination. The first two measures assess the grantee's ability to place completers in unsubsidized jobs and to enhance their employability through a high school diploma, the General Education Development (GED) examination for high school equivalency, or placement into advanced training or education. The cost measure is a comparative indicator of what it costs to place participants in jobs or to enhance their employability.

The level of each performance standard is individually determined for each grantee through a statistical process. Thus standards are set based on a uniform, objective, and equitable approach. Adjustments are made to each grantee's standards to reflect comparative differences in the participants served and in local labor market conditions (such as the unemployment rate, percent of workforce in manufacturing, and urban versus rural population).

Migrant and Seasonal Farmworker Programs

These programs help combat chronic unemployment, underemployment, and substandard living conditions among migrant and seasonal farmworkers and their families nationwide. They are designed to help migrant and seasonal farmworkers who seek alternative job opportunities to secure stable employment at an income above the poverty level and to improve the living standard of those who remain in the agricultural labor market.

Through competitively-awarded grants to public and private nonprofit institutions, eligible economically disadvantaged farmworker families are provided training and other employment-related services, including classroom instruction, on-the-job training, work experience, and supportive services. The latter may include day care, health care, legal aid, transportation assistance, and food and housing in emergency situations.

In PY 1990, regular migrant and seasonal farmworker employment and training activities served close to 53,500 persons at a cost of $66.7 million. There were 53 migrant and seasonal farmworker projects in 48 States and Puerto Rico during the period. More than half of those who terminated from the program received supportive services, such as child care, medical care, or emergency housing. Another 12,700 received job skills training which led to placement in successful unsubsidized employment. The balance of the participants received job search assistance or left the program before significant intervention by the grantees.

Thirty-five percent of those placed in jobs in PY 1990 were women; 27 percent were farmworker youth ages 21 and under. The average annual income of participants prior to entering the program was $4,050, while the average annualized wage of participants who entered employment was $11,200. Classroom and on-the-job training continued to be the main strategies used by grantees to prepare migrant and seasonal farmworkers for nonagricultural employment.

A new initiative was begun during the *Report* period to enhance basic education levels of participants through remedial training at school, at the job site, or through referral to other service providers.

PY 1990 was the fourth year in which migrant and seasonal farmworker grantee outcomes were measured against performance standards. The two required measures for farmworker programs were an entered employment rate and a cost per entered employment. As with the Indian and Native American program, standards are set using a statistical model that accounts for participant characteristics and local labor market conditions.

Job Corps

A federally administered residential education and training program, Job Corps is designed for severely disadvantaged youth 14 through 24 years of age. The program prepares these youth for stable, productive employment and entrance into vocational or technical schools; junior colleges; other institutions that provide additional education and training; and military services.

Students live in Job Corps centers and receive food and housing, education, vocational training, medical care, counseling, and other support services. They also are provided with books, supplies, and a cash living allowance, part of which is paid upon program termination after satisfactory participation. Students may stay in Job Corps for up to two years, although the average length of stay is about eight months. They are given help in finding a job or enrolling in further education when they leave.

Vocational training is offered in occupations such as auto repair, carpentry, painting, masonry, nursing and other health care jobs, word processing, food service, business and clerical skills, welding, and heavy equipment operation. The education program includes reading, mathematics, and preparation for the GED examination. Job Corps enrollees also receive instruction in "life skills," personal hygiene, nutrition, developing positive work habits, and making constructive use of leisure time.

Job Corps centers range in capacity from 175 to 2,600 enrollees. Thirty centers are called civilian conservation centers; they are operated by the Departments of Interior and Agriculture and staffed by Federal employees. The remaining centers are operated under contract with the Department of Labor, primarily by major corporations such as ITT, Career Systems, Inc., Teledyne, and the Management Training Corporation, with a fewer number operated by various nonprofit organizations. On a limited basis, nonresidential students can participate in training and other center activities during the day.

In PY 1990, 106 Labor Department-funded Job Corps centers were in operation. These centers served nearly 100,000 enrollees, including some 61,000 new trainees, with expenditures at $784.1 million. Eighty-six percent of the students were high school dropouts; the average reading level was seventh grade. Sixty-five percent of the students were both male and of a minority race. Approximately 69 percent of those who left Job Corps were placed in jobs, entered the military, or continued with other education or training. Table 5 shows placement outcomes separately by the gender of the terminee.

Table 5. Job Corps Student Outcomes by Gender, PY 1990

Outcome	Male	Female
Placed in employment....	59.5%	45.9%
Average hourly wage.....	$4.98	$4.64
Continued other education/training.....	13.3%	16.9%

Source: U.S. Department of Labor, Employment and Training Administration.

Emphasis continued to be placed on enhancing services to students by establishing linkages with other Federal, State, and local programs. The number of centers with such linkages for child care for nonresidential students was increased, and a single parent program designed to accommodate young parents and their children on a residential basis was initiated at one center.

During PY 1990, educational initiatives included pilot testing of curricula for parenting, intergroup relations, social skills training, English-as-a-second-language, prevention of alcohol and drug abuse, and a computer-managed instruction program. The new curricula were implemented on a staggered schedule during Program Years 1990 and 1991. In an effort to meet the projected workplace requirements of the 1990s and beyond, Job Corps initiated EDCOMP2, a complete revision and upgrading of basic education. Pilot testing of the program was conducted at several centers, with revisions based on pilot test outcomes scheduled for completion in PY 1991.

Job Corps developed a special recruitment effort to attract female students into the skilled trades, as part of the Secretary of Labor's initiative launched in PY 1990. A description of this effort appears in the accompanying box.

Vocational initiatives begun in Program Years 1988 and 1989 were continued during the *Report* period. Industry Advisory Groups for each vocation held their annual meetings to review training materials and curricula to ensure that they were appropriate for the labor market.

The Substance Intervention Program pilot was completed at 20 centers. The final report showed that on-site screening provides early identification and treatment of students with serious alcohol and drug problems. Because of the success of the pilot, a decision was made to implement the program at all centers in PY 1991.

Mandatory testing of all entering residential students for HIV continued during PY 1990, with extensive medical and psychosocial assessment of those found positive. On the basis of this assessment, a center decides whether to retain or terminate a student. A policy was instituted to offer treatment to delay the onset of the AIDS disease to retained HIV-positive students with certain laboratory findings.

Six performance standards were used to measure the outcomes of Job Corps programs. Two of the standards measure learning gains in reading and math (based on pre- and post-test scores of the Test of Adult Basic Education, or TABE). One standard measures placement for terminees, two standards measure program retention, and another standard measures GED attainment. During PY 1990, a vocational program completion standard was put into place for information purposes only, to be incorporated into the system in PY 1991.

Pilot and Demonstration (P&D) Programs

P&D programs are funded through Department grants and contracts, administered at the national level, and operated at State and local levels to test innovative approaches and strategies for enhancing the employability skills of persons facing particular labor market barriers. The programs provide job training, employment opportunities, and related services for many target groups: youth, offenders, individuals with limited English language proficiency, handicapped persons, single parents, displaced homemakers, older workers, those persons lacking educational credentials, public assistance recipients, and others who the Secretary of Labor determines need special assistance. A major goal of P&D programs is the replication of successful approaches and models resulting from these efforts. Approximately $31 million was allocated to P&D efforts in PY 1990.

During the program year, under a trial "Field Initiated Competition" procurement process, seven new P&D efforts were funded. Among them were the following three projects.

- A collaborative project between the American Society for Training and Development and the UAW-Chrysler National Training Center was launched to identify and develop effective approaches and strategies to address the needs of the Nation's increasingly diverse and multicultural workforce.
- A similar project was funded to develop and demonstrate effective approaches to increase employers' sensitivity and understanding of the cultural backgrounds of limited English-speaking employees and to provide workplace literacy training to enhance the assimilation of these workers into the mainstream labor force.
- A third new field-initiated effort focused on the

Job Corps and Women in Nontraditional Careers

In PY 1990, the Job Corps developed a series of information kits and posters to attract young women into training programs for nontraditional careers, particularly the construction trades. The recruitment effort complements the Secretary's Initiative to Improve Employment Opportunities for Women in the Skilled Trades. (See Apprenticeship section.) Studies show that women in the construction trades receive higher wages, better fringe benefits, a wider variety of work schedules, and greater job security than those in traditional female occupations.

The information kits include one-page descriptions of 10 trades offered by the Job Corps: brick masonry, cement masonry, carpentry, building and apartment maintenance, electrical wiring, landscaping, painting, plastering, plumbing, and solar installation. The kits include a career ladder of the opportunities within each trade and a brochure about successful female Job Corps graduates who have begun rewarding careers in the trades.

development of model training approaches and policy recommendations to address issues concerning and practices adversely affecting job retention of women in the building trades.

During this period, the Department launched a school-to-work transition program that is aimed at fundamentally changing how U.S. students learn basic workplace skills and enter the workforce. Six organizations were awarded two-year grants to explore ways of redesigning school curricula so that students learn job-related subjects in a practical context and noncollege students are better prepared to enter the workforce. The Department's $3.2 million in seed money was leveraged into a $10.5 million program because an additional $7.3 million was provided by other public and private sources.

In PY 1990, the Department continued three work-based learning initiatives to improve workforce quality, reflecting the importance of worker skill development to achieve employment security. The work-based learning demonstration projects, begun in 1989, moved from the design phase to the implementation phase. The three projects were intended to adapt to other occupations the apprenticeship principles that have operated successfully in the construction industry, where workers receive training and instruction that serve as "portable credentials" throughout the industry. The projects were also intended to upgrade employee skills and to develop the skills of workers in small businesses. The occupations examined in the demonstrations were bank tellers, environmental technicians, electromechanical technicians, human resource development staff, machine repair technicians, health care occupations, machine tool operators, child care providers, and recreational vehicle technicians.

Other P&D efforts fall into five general categories: training demonstrations, partnership programs, programs for the disabled, workplace literacy projects, and other initiatives, including the Youth Opportunities Unlimited program and a new demonstration that links child support enforcement to job training services for noncustodial parents.

Training Demonstrations. The Department continued to provide funding support for eight training demonstration projects designed to address industry-wide skill shortages. These programs provided skills training for almost 8,000 individuals, including women, minorities, youth, persons with limited English-speaking proficiency, and public assistance recipients. The National Tooling and Machining Association, the International Union of Operating Engineers, and PREP, Inc., were among the major employer associations, labor organizations, and other groups to receive training demonstration funds in PY 1990.

Partnership Programs. Partnership P&D programs are designed to increase the involvement in JTPA of key national business, labor, and community-based organizations that represent broad constituencies and can promote training and cooperation with JTPA within their own organizations and with the private sector and local government. The Department funds partnership programs with seven organizations: National Council of La Raza; National Urban League, Inc.; SER—Jobs for Progress, Inc.; Opportunities Industrialization Centers of America, Inc.; National Alliance of Business; 70001 Ltd. (now called WAVE); and Human Resources Development Institute, AFL-CIO.

In PY 1990, the Department also funded the final year of the West Philadelphia Partnership Project, a collaborative effort between community-based organizations, the University of Pennsylvania, labor organizations, and the local school system. The project was designed to provide an alternative learning setting for at-risk youth in a depressed urban setting. It was centered around a housing and community rehabilitation effort, and offered preapprenticeship training, counseling, and placement activities for disadvantaged youth.

Programs for the Disabled. During PY 1990, eight national organizations with expertise in working with and providing job training, employment, and related services to the disabled served nearly 7,300 disabled persons and placed nearly 6,600 in unsubsidized jobs through Department-funded projects. The projects in this category are designed to increase the number and quality of job opportunities for disabled persons by providing training and employment opportunities that allow them to compete equitably in both the private and public sectors.

These projects emphasize that each participant is unique and has a special combination of abilities apart from her or his disability. Projects must provide equal pay for equal productivity, and job placement at the highest skill level commensurate with qualifications. The eight organizations operating the programs in PY 1990 were Goodwill Industries of America, Inc.; Association for Retarded Citizens; National Association of Rehabilitation Facilities; Epilepsy Foundation of America; Electronics Industries Foundation; Mainstream, Inc.; National Federation of the Blind; and International Association of Machinists.

Workplace Literacy Projects. In the past several years, the Department has undertaken a wide variety of programs to explore, test, and demonstrate new learning techniques and programs for enhancing or assessing workplace literacy skills. In PY 1990, it funded a number of workplace literacy projects designed to: (1)

develop and test literacy training program models; (2) test and demonstrate new basic skills training technology in the workplace; and (3) develop literacy assessment instruments.

A two-phase project, the Workplace Literacy Survey, was designed and conducted by the Educational Testing Service to survey and profile the workplace literacy levels of JTPA, Employment Service, and Unemployment Insurance participants. It produced a workplace literacy testing instrument that staff of job training programs, schools, and other institutions can use to evaluate individual clients' literacy levels.

The Department continued to collaborate with other Federal agencies on ways to increase the efficiency and effectiveness of literacy and basic skills training by funding activities such as the National Center for Adult Literacy which is located at the University of Pennsylvania. The Departments of Labor, Education, and Health and Human Services jointly fund this collaborative effort. Its primary mission is to conduct applied and basic research in the area of adult literacy and to examine ways of disseminating information on effective programs and techniques.

Other Projects. Among the projects in the "other" P&D category was the pilot Youth Opportunities Unlimited (YOU) initiative. In PY 1990, the original seven YOU grantees received their second increment of funding. These grantees are the State of Mississippi and the cities of Los Angeles, San Diego, Columbus, Atlanta, Philadelphia, and Baltimore. Through PY 1991, the Department had provided a total of $19 million for the demonstration to assist high-poverty urban neighborhoods and rural counties to achieve gains in the rates of high school attendance/completion and college entrance, as well as to reduce teen pregnancy, crime, and drug use. The initiative is designed to have an impact on both individuals and communities. It relies on the successful coordination and linkage of a wide range of interventions, including public health improvements, child development programs, and school restructuring.[10]

During the *Report* period, the Department was involved in planning for the nine-site pilot phase of the $9.6 million Parents' Fair Share demonstration. The new six-year project is being conducted under the JOBS program to investigate the feasibility and effectiveness of linking child support enforcement with training and employment services for noncustodial parents (usually fathers) of poor children. The training and employment services to be provided will come primarily from the JTPA system.

The project's central goals are:

- To reduce poverty among children receiving public assistance by encouraging and requiring their noncustodial parents to establish paternity and pay child support;
- To increase the employment and earnings of noncustodial parents who are unemployed and unable to adequately support their children; and
- To assist these parents in providing other forms of support to their children when appropriate.

In addition to the resources from the Labor Department, the demonstration receives funds from the Departments of Education and Health and Human Services and from several private foundations.

JOB TRAINING FOR THE HOMELESS DEMONSTRATION PROGRAM

The Stewart B. McKinney Homeless Assistance Act of 1987 (P.L. 100-77) authorized the Department to plan and implement the Job Training for the Homeless Demonstration Program (JTHDP).[11]

The demonstration was designed to provide the knowledge and direction needed for future national job training policy for homeless persons. To identify more effective means of serving this group, the Department sought to: (1) obtain information on how to provide effective employment and training services to homeless persons and (2) define how effective coordination can be developed to best address the multiple needs of the target population.

To accomplish these goals, the Department provides competitive grants to State and local public agencies and private nonprofit organizations to design and implement innovative and replicable approaches for providing job training services for homeless individuals.

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[10] YOU is the prototype for the Youth Fair Chance (YFC) program, which was established as a permanent program under the Job Training Reform Amendments of 1992. The purposes of the YFC include ensuring access to education and training assistance for youth residing in high poverty areas, providing a comprehensive range of services to eligible youth, and enabling communities with high concentrations of poverty to establish and meet goals for improving opportunities available to youth.

[11] Federal agencies responsible for administering other programs authorized by the Act are the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, and Education, and the Federal Emergency Management Agency. The Act also authorizes the Homeless Veterans Reintegration Projects, which are administered by DOL's Office of the Assistant Secretary for Veterans' Employment and Training and reviewed in the Secretary's annual report on veterans' activities.

JTHDP's appropriations grew from $7.7 million in FY 1988—the first year during which funds were appropriated for the program—to $10.7 million in FY 1991, an increase of 39 percent. (Chapter 2 of the *Report* provides an evaluation of the program's first year.)

In November 1990, the Department announced a new initiative for JTHDP based on a memorandum of understanding (MOU) with the Department of Housing and Urban Development (HUD). The initiative placed greater emphasis on enrolling adults, comprehensive supportive services, job development and retention services, and transitional housing during training and permanent housing after placement.

Previously, many projects had not actively sought more permanent types of housing for participants other than placement in short-term emergency shelters. The MOU called for collaboration between the Departments in working with local agencies to design and obtain transitional housing while participants were in training that would lead to permanent housing upon completion of training.[12]

In implementing the initiative, the Department gave priority in the application process to applicants who could obtain job commitments from employers and housing accommodations from appropriate providers.

As a result of the competition, 12-month grants were awarded to 20 grantees selected from among the 45 grantees operating JTHDP projects at that time. An additional award was made in September 1991 for a program for homeless Native Americans in Tucson, Arizona, bringing the total effort to 21 projects.

JTHDP served approximately 21,000 homeless persons (through new and existing grants) during FY 1991.

APPRENTICESHIP

The National Apprenticeship Act of 1937 (P.L. 75-308), known as the Fitzgerald Act, established the pattern for today's system of Federal Government involvement with apprenticeship programs. Under the act, the Bureau of Apprenticeship and Training (BAT), a component of ETA's Office of Work-Based Learning, provides an organizational framework for the system by:

- Formulating and promoting the furtherance of labor standards,
- Registering programs and apprentices that meet standards, and
- Delivering promotional services and technical assistance.

The apprenticeship approach combines structured on-the-job training with classroom or theoretical instruction. Employers or groups of employers and unions are responsible for the actual training, which they organize, manage, design, and finance under standards developed and registered with BAT or a State apprenticeship agency. They also select apprentices.

State apprenticeship agencies or councils (SACs) recognized by the Department administer programs in 27 States, the District of Columbia, the Virgin Islands, and Puerto Rico. Most of these State agencies receive policy guidance from apprenticeship councils composed of employers, labor, and public representatives.

Apprenticeship programs that meet the standards of the Department may be registered with the recognized SAC or with the Department when there is no SAC.

During FY 1991, in addition to ongoing apprenticeship activities, the Department launched an initiative to increase the number of women in the skilled trades and rechartered the Federal Committee on Apprenticeship, building on the Apprenticeship 2000[13] efforts of the past several years.

Women in the Skilled Trades

In November 1990, the Department announced the Secretary of Labor's Initiative to Improve Employment Opportunities for Women in the Skilled Trades, which directed BAT and two other departmental units—the Office of Federal Contract Compliance Programs (OFCCP) and the Women's Bureau—to

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[12] Under the agreement, HUD helps strengthen the transitional and permanent housing component of JTHDP by: (1) encouraging local public housing agencies to cooperate and participate in program operations; and (2) urging HUD field offices to support the project, provide technical assistance to grant applicants, and provide contacts with existing housing projects that could be linked to the effort.

[13] The Apprenticeship 2000 initiative was launched in 1988 to examine the potential for new, expanded, and innovative applications of the apprenticeship system. Developed in response to increasing concern over the competitiveness of the United States and the awareness of the importance of highly skilled workers, it was a concerted and major effort to improve and expand the apprenticeship concept as well as the apprenticeship program. The initiative entailed an extensive process of soliciting views through public hearings, conferences, and publication of papers for comment in the *Federal Register*. It included a wide-ranging program of research and development and consultations with business, labor, and foreign experts in apprenticeship.

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develop and implement an aggressive enforcement, outreach, and education program to increase recruitment and retention of women in apprenticeship in the skilled trades. The initiative focuses on removing the barriers that prohibit women from not only entering the skilled trades, but from successfully working in a trade once employed.

Jobs in the skilled trades often have the potential for improving the economic status of women. Well-paid skilled trade workers include electricians, carpenters, auto mechanics, painters, and laborers. Jobs for such workers are concentrated in the public utility, construction, and manufacturing industries.

The initiative contains four major components: enforcement, recruitment, education and technical assistance, and retention. The Department is increasing its ***enforcement*** of laws protecting equal employment opportunity in apprenticeship by assigning enforcement authority to OFCCP, in addition to BAT. ***Recruitment*** of women in the skilled trades is being strengthened through Departmental job training programs. For instance, Job Corps emphasizes the preparation of women for, and their referral to, apprenticeship programs. (See Job Corps section under JTPA.)

Retention and placement activities include a two-year effort to develop policies that improve retention of tradeswomen and a manual on tradeswomen's rights, and to promote the expansion of model programs through the Department's Workforce Quality Clearinghouse, the National Tradeswomen Network, and liaison with other Department agencies. ***Education and technical assistance*** activities include outreach programs with employers, unions, and women's groups, technical assistance conferences, marketing efforts, development of a directory of nontraditional training and employment programs for women, and inclusion of model programs and "how-to" references in the Workforce Quality Clearinghouse. The Clearinghouse, operated by the Women's Bureau, is a computerized network of employee-sponsored programs designed to enhance the education and training of workers.

Several important activities in support of the Secretary's initiative were implemented in FY 1991. These include: development of training materials; convening of five regional train-the-trainer sessions for field and key national office staff; training of OFCCP field compliance officers; initial production of a video and two public service announcements; and coordination of the development of three promotional brochures that are targeted to employers, women's organizations, and educational institutions. The Department also funded a research project to provide information on the barriers women experience in seeking job opportunities in the skilled trades and to develop implementation plans for three demonstration programs. These programs will be designed to increase women's participation in, and successful completion of, registered apprenticeship programs.

Federal Committee on Apprenticeship

The Federal Committee on Apprenticeship was created by the Secretary in 1934. It was authorized by the National Apprenticeship Act and rechartered in FY 1991 as part of the Department's expansion of apprenticeship concepts and programs. The Committee advises the Secretary of Labor on ways to promote and expand apprenticeship and journeyworker training. It has eight members representing labor, eight members representing employers, and ten members representing the public. In addition, there are three ex-officio members: the current president of the National Association of State and Territorial Apprenticeship Directors, a representative of the Department of Education, and the Assistant Secretary of Labor for Employment and Training.

The Committee met in FY 1991 and appointed seven subcommittees to conduct research and develop reports and recommendations on current issues: (1) promoting and expanding both traditional and nontraditional apprenticeship programs; (2) expanding participation for underrepresented groups; (3) improving the quality of apprenticeship programs; (4) developing a national training system; (5) improving the administration and operation of the apprenticeship system; (6) enhancing the safety training for apprentices; and (7) legislative considerations regarding apprenticeship.

During the *Report* period, the Committee considered several of these issues and submitted recommendations to the Secretary on: (1) proposed revisions to Title 29 CFR Part 29 (Labor Standards for the Registration of Apprenticeship Programs); (2) incorporation of Occupational Safety and Health Administration (OSHA) standards in apprentices' training; (3) the continued use of the General Aptitude Test Battery (GATB) in the apprentice selection process; (4) efforts to increase the participation of women; (5) promotion and marketing considerations for expanding the use of apprenticeship in nontraditional industries and occupations; and (6) the development of a quality evaluation handbook.

FY 1991 Program Information

The FY 1991 list of recognized apprenticeable occupations contained 832 job titles with corresponding *Dictionary of Occupational Titles* codes. Three occupations were added to the list during the year: telecommunications technician, electronic pre-press system operator, and logistics engineer. The 10 occupations with the greatest number of apprentices during the fiscal year were: electricians, carpenters, plumbers, pipe fitters, sheet metal workers, electricians (maintenance), machinists, roofers, tool and die makers, and fire fighters.

In FY 1991, approximately 374,000 civilian apprentices received training through some 42,000 registered civilian apprenticeship programs. Three thousand of the programs were newly registered during the *Report* period, as were some 99,500 apprentices. Women comprised 7.1 percent and minorities 22.5 percent of the apprentice population.

In recent years, the military services have been major users of apprenticeship, not only to enhance the skills of their members at their military jobs but also to prepare them for eventual transition to civilian jobs. At the end of FY 1991, there were approximately 45,000 military apprentices, 35.6 percent of whom were minorities and 6.7 percent women.

Federal staff conducted 1,700 equal employment opportunity compliance reviews for programs having five or more apprentices and 2,000 program quality reviews during FY 1991.

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

PY 1990 marked the Senior Community Service Employment Program's (SCSEP) 25th continuous year of service to communities throughout the Nation.

The SCSEP is authorized by the Older Americans Act of 1965, as amended (P.L. 102-375). It promotes the creation of part-time jobs in community service for low-income individuals who are at least 55 years old, have poor employment prospects, and are unemployed.

The SCSEP program is operated by 50 States and territorial governments and 10 national sponsors. Most States operate the SCSEP program through their own agencies, with the exception of seven: Alabama, Arizona, Florida, Montana, New Jersey, North Dakota, and South Dakota. These States assign responsibility for their grants to one or more of the 10 national sponsors.[14]

The program makes possible an array of community services to the elderly, such as nutrition programs, recreation, health and home care, and transportation. It also provides services to the community as a whole through the creation of jobs in such institutions as public schools and hospitals. Enrollees receive annual physical examinations, personal and job-related counseling, job training, if necessary, and in some cases placement into regular unsubsidized jobs. Enrollees may work up to 1,300 hours per year, but the average number of hours worked per week is 20.

To the extent possible, SCSEP sponsors coordinate their activities with other programs and agencies that provide training-related services and job opportunities, including JTPA Service Delivery Areas, Private Industry Councils, Job Corps centers, local Employment Service offices, area agencies on aging, and community colleges.

To operate individual SCSEP programs, PY 1990 allocations totaling over $367 million were provided to the 10 national sponsors and State and territorial governments. Of the total allocations, some $286 million, or 78 percent, was allotted to the national sponsors; the remaining funds were allotted to the State agencies. The majority of funds went directly to enrollees in the form of wages and benefits. (See Chart 3, page 22.)

In PY 1990, SCSEP provided part-time subsidized jobs for over 96,000 individuals. These persons were at least 55 years of age, with incomes not greater than 125 percent of the poverty level as issued by the Department of Health and Human Services. (Table 6 provides data on selected characteristics of SCSEP participants for the last three program years. See page 23.) Over one-fifth of the enrollees were placed in unsubsidized employment, many with the same agency for which they had worked when they were SCSEP enrollees.

During the program year, the Department continued to encourage SCSEP sponsors to improve their geographical distribution of program resources so that all eligible persons have the same opportunity to participate in the program regardless of their place of residence. The Department also worked to enhance the coordination of SCSEP activities with those of other appropriate programs and agencies.

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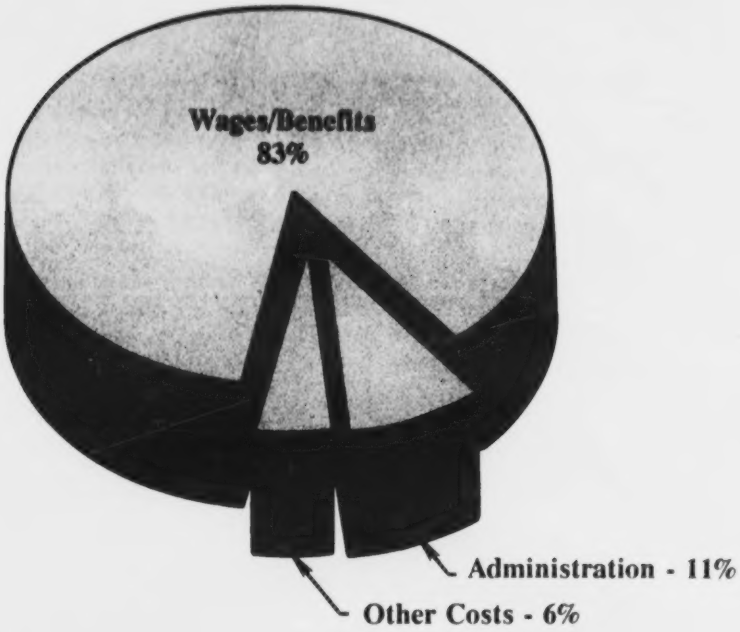
[14] The national sponsors are the U.S. Forest Service (Department of Agriculture) and nine nonprofit organizations: American Association of Retired Persons; Asociacion Nacional Pro Personas Mayores; Green Thumb, Inc.; National Center on Black Aged; National Council on Aging; National Indian Council on Aging, Inc.; National Asian/Pacific Resource Center on Aging, Inc.; National Council of Senior Citizens; and National Urban League.

Chart 3. Senior Community Service Employment Program Expenditure of Funds by Category, PY 1990



Source: U.S. Department of Labor, Employment and Training Administration.

EMPLOYMENT SERVICE

The public Employment Service (ES) is a joint effort of the Department of Labor and of 54 affiliated State Employment Security Agencies (SESAs) and their network of over 1,700 local offices. Authorized by the Wagner-Peyser Act (29 U.S.C. Section 49 *et seq.*), its basic labor exchange function is financed through grants from the Department to the 54 SESAs.

In addition to job referral and placement, local ES offices may offer jobseekers and employers a wide range of services and assistance—including testing, counseling, job search workshops, resume-writing instruction, interviewing techniques, job fairs, labor market information, mass screening, analysis for restructuring jobs, outplacement assistance, and specialized recruitment to meet affirmative action plans.

The public Employment Service also responds to numerous Federal and State mandates. These responsibilities, financed directly with Federal and State funds, include certifying the need for alien workers; providing vouchers to jobseekers in connection with the Targeted Jobs Tax Credit (TJTC) program and certifying employer eligibility for the TJTC; recruiting domestic migrant and seasonal farmworkers and monitoring ES services to this group of workers for regulatory compliance; and certifying individual eligibility for such programs as Federal guaranteed loans and work programs.

Developments in many of these areas are described below. The accompanying box describes special activities related to the *Dictionary of Occupational Titles.*

Labor Exchange and Other Activities

In PY 1990, over 19 million people registered with local offices of the public Employment Service and received a wide variety of employment-related services.

Table 6. Senior Community Service Employment Program, Selected Participant Characteristics (Percent Distribution)

Characteristic	Program Year		
	1990	1989	1988
Sex:			
Male	28.7	29.2	29.7
Female	71.3	70.8	70.3
Age:			
55-69 years	17.4	17.4	18.5
60-64 years	25.4	26.1	27.3
65-69 years	26.3	26.7	26.4
70-74 years	18.1	17.3	16.3
75 years and over	12.7	12.5	11.5
Ethnic group:			
White	62.2	62.3	63.3
Black	23.8	23.9	23.3
Hispanic	9.1	9.0	8.8
Indian/Alaskan	1.6	1.7	1.6
Asian/Pacific Islander	3.3	3.1	3.1
Veteran	13.3	13.4	13.1
Education:			
8th grade and under	25.1	26.4	27.4
9th-11th grades	21.3	21.6	21.4
High school	35.4	34.8	34.2
1-3 years of college	13.0	12.4	12.3
4 years of college	5.1	4.8	4.7
Family income below the poverty level	80.2	80.9	79.9

Source: U.S. Department of Labor, Employment and Training Administration.

These jobseekers were interviewed and—based on experience, education, training, and aptitude—assigned one or more occupational codes to help match their job skills with employers' job orders. Approximately 42.3 percent of the jobseekers were women and 14.2 percent were economically disadvantaged.

Local ES offices referred approximately 7.5 million jobseekers to interviews with employers who had listed some 5.7 million job openings with the ES. Over 2.7 million persons (36 percent of those referred to employers) were placed in jobs in PY 1990. ES offices also referred about 318,000 individuals to training and provided some 664,000 with employment-related counseling during the year.

Over 3.5 million transactions, including multiple placement of individuals, occurred in PY 1990, with expenditures totaling $780 million.

During the *Report* period, SESAs listed about 154,000 openings in the Interstate Job Bank (IJB) to publicize hard-to-fill job opportunities and to help people find jobs in other States. About 36 percent of the listings were in professional and managerial occupations.

The IJB, established to list job openings that are not readily filled locally, is a composite of job vacancy information which employers have submitted to State-operated Employment Services, and for which the States or the employers request nationwide publicity.

Dictionary of Occupational Titles

The *Dictionary of Occupational Titles (DOT)*, produced by the U.S. Employment Service, is the most comprehensive single source of information about jobs in the United States. It defines and classifies occupations and characteristics of workers and provides information about what an occupation's tasks are and how they are performed; what tools or materials are used; the physical environment in which the job is performed; relationships among the occupation's data, people, and materials; and requirements in terms of educational levels (both formal and informal education), training, aptitudes, interests, and temperaments.

Since the first edition of the *DOT* was produced in 1939, the document has never been out of print. The fourth, and most recent, edition was published in 1977 and describes some 12,000 occupations; a supplement was released in 1986. During the *Report* period, the Department issued a revision to the fourth edition, which includes 2,000 new and changed occupations and reflects the technological changes that affect the workplace and the changing skill requirements for many jobs. In the area of television production, for example, over a dozen new or revised jobs were added. Other jobs were added in such areas as computerization, medical services, pollution control, and the aircraft industry.

Also during the *Report* period, the Secretary of Labor appointed the Advisory Panel for the *Dictionary of Occupational Titles* (APDOT) to assess the occupational information needs of the Nation and to make recommendations regarding the development, publication, and dissemination of a future *DOT*. The APDOT has developed recommendations to transform the current *DOT* into a database system useful and accessible to millions of students, workers, and employers.

A coherent database system that identifies and describes the skills, knowledge, and competencies needed for a high-performance workplace will help users to make informed decisions. A revised *DOT* has the potential to support the Department in its role of assisting industry with skill identification and workers with skill acquisition and to promote the effective education, training, counseling, and employment of the American workforce.

Employers telephone their job requests to a State ES agency and then request that their jobs be included on the IJB. Microfiche listings of interstate orders are mailed by the IJB each week to ES local offices in 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands and to some 260 libraries and universities. While jobs are predominantly from private sector employers, job information is also provided on Federal job opportunities nationwide, including Armed Services recruitment notices, Forest Service seasonal and temporary positions, and Federal Senior Executive Service vacancies.

More States became capable of communicating electronically with the IJB. By the end of PY 1990, 23 States were transmitting data via magnetic tape and 20 via data communications. Thirty States had incorporated the data into their on-line systems, and 22 made the order data available for direct applicant access in their on-line systems.

The States experimented in selected locations with the use of the Automated Labor Exchange (ALEX), an applicant self-search system that allows a jobseeker to search through an automated job order file using occupational criteria. In PY 1990, work began on "PC ALEX" that will increase applicant access in remote areas.

In PY 1990, the Department continued to fund the Employers' National Job Service Council (ENJSC), a volunteer organization of some 40,000 employers which works with the public Employment Service through 1,100 local Job Service Employment Committees (JSECs). ENJSC helps the ES improve its labor exchange system and informs employers of the interstate job bank system and other related programs. It also helps employers understand the processes for hiring and training special groups of workers, including disadvantaged persons, at-risk youth, veterans, and disabled persons.

In PY 1990, special efforts were undertaken through ENJSC to improve coordination with the Private Industry Councils under JTPA. These efforts included joint meetings to promote an increase in the number of JSEC members on PICs and to foster closer working relationships with the National Association of Private Industry Councils and its members.

The Targeted Jobs Tax Credit, first authorized by the Revenue Act of 1978 (P.L. 95-600), provides tax credits to employers who hire individuals from nine target groups.[15] Target groups include economically disadvantaged youth and welfare recipients, who traditionally find it difficult to obtain and hold a job.

For most target groups, employers may claim a credit of 40 percent of the first $6,000 of an employee's first year wages, for a maximum of $2,400. For economically disadvantaged summer youth employees, employers may claim a credit of 40 percent of wages up to $3,000, for a maximum credit of $1,200.

Individuals from the designated groups receive vouchers indicating their eligibility. Employers who hire persons with vouchers can then obtain certifications from SESA offices to document their eligibility to receive the credit. While most vouchers are issued by local Employment Service offices, other agencies authorized to issue vouchers include qualified cooperative education programs, local welfare offices, and local offices of the Department of Veterans Affairs. Certifications are issued only by SESAs. During PY 1990, over 627,000 TJTC vouchers and 410,000 certifications were issued.

Alien Labor Certification

Alien labor certification programs are generally designed to ensure that the admission of aliens to work in this country will not adversely affect the job opportunities, wages, and working conditions of U.S. workers. With few exceptions, these seven programs are jointly administered by the Department and the SESAs.

A synopsis of each of the programs follows. Two of the programs were authorized by the Immigration Act of 1990 (PL 101-649) and were not effective until October 1, 1991; a third program, authorized by the same legislation, was effective May 28, 1991. During the period covered by the *Report*, an immigration task force developed regulations governing the new programs and made plans for their implementation.

Permanent Labor Certification

An alien seeking to immigrate to the United States on the basis of employment must obtain an offer of permanent full-time employment from an employer in the United States. The alien cannot be admitted as a permanent resident unless the employer obtains a labor certification from the Department that qualified U.S. workers are not available for the employment offered to the alien, and that the wages and working conditions offered will not adversely affect those of similarly employed U.S. workers.

The certification process requires the employer to recruit U.S. workers at prevailing wages and working conditions through the State Employment Service, by advertising, posting notice of the job opportunity, and other appropriate means. A regional certifying officer from the Department makes a decision to grant or deny the labor certification based on the results of the employer's recruitment efforts and compliance with the Department's regulations. In FY 1991, 42,383 applications to allow foreign workers to fill permanent jobs were received from employers.

H-2B Temporary Labor Certification

Under the H-2B nonimmigrant visa classification, aliens may come to the United States to perform temporary nonagricultural work. The process for obtaining an H-2B labor certification is very similar to that required for permanent labor certification, but is not as extensive or time-consuming. The labor certification may be issued for a period of up to one year, renewable for a maximum of three years. The Immigration and Nationality Act places a limit of 66,000 aliens per year who can be admitted to the United States on H-2B visas. In FY 1991, DOL received 2,823 applications from employers (covering 8,270 aliens) to allow foreign workers to fill temporary nonagricultural jobs.

H-2A Temporary Labor Certification

The H-2A temporary agricultural program establishes a means for agricultural employers who anticipate a shortage of domestic workers to bring nonimmigrant aliens to the United States to perform agricultural labor or services of a temporary or seasonal nature. Before the Immigration and Naturalization Service (INS) can approve an employer's petition for such workers, the employer must file an application with the Department stating that there are not sufficient U.S. workers who are able, willing, qualified, and available, and that the employment of aliens will not adversely affect the wages and working conditions of similarly employed U.S. workers.

The statute and departmental regulations provide for numerous worker protections and employer requirements with respect to wages and working conditions that do not apply to nonagricultural programs. The Department's Employment Standards Administration (ESA) has responsibility for enforcing provisions of worker contracts. In Calendar Year 1991, the Department received 3,274 applications requesting certification to fill 25,702 job openings with temporary foreign agricultural workers.

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[15] The TJTC expired on June 30, 1992. The Omnibus Reconciliation Act (P.L. 103-66), signed into law in August 1993, reauthorized the credit for an additional 30-month period, beginning retroactively on July 1, 1992, and extending through December 31, 1994.

H-1A Nurses

The Immigration Nursing Relief Act of 1989 established a new H-1A nonimmigrant classification for registered nurses for a five-year period. To employ foreign nurses, a health care facility must take "timely and significant" steps to develop, recruit, and retain registered U.S. nurses, while ensuring the protection of wages and working conditions of both U.S. and foreign nurses. To petition the INS to employ foreign nurses, a health care facility must have a valid attestation on file with the Department, where such documents are processed and maintained for public disclosure. In FY 1991, 1,410 health care facilities filed 1,947 attestations.

H-1B Specialty (Professional) Workers (effective October 1, 1991)

Employers who intend to employ alien workers for a temporary period in professional occupations or as fashion models must file labor condition applications with the Department stating that they will pay the appropriate wage rate to the aliens, that they have notified the bargaining representative or otherwise posted notice of their intent to employ alien workers, and that there is no strike or lockout at the place of employment. Aggrieved parties may complain to the Department about misrepresentation or failure to comply with the statements attested to in the applications.

Where the complaint is successful, ESA may assess penalties and, in the case of a willful violation, the employer will be barred from filing petitions for permanent and temporary workers for at least one year. H-1B applications may be approved for periods of up to six years, the maximum allowable period of stay in the United States under H-1B status. Statute limits the number of aliens who may be admitted to the United States on H-1B visas to 65,000 per year. The Department estimates that approximately 50,000 applications for such workers will be filed each year.

F-1 Students (effective October 1, 1991)

Under the pilot F-1 program, foreign students may work off-campus after the first year of study for no more than 20 hours per week, and full-time during vacation periods and between terms, for employers who have filed attestations with the Department. Attestations must state that employers have recruited U.S. workers unsuccessfully for 60 days and that they will pay the appropriate wage rate to F-1 students and similarly employed workers. Employers may be disqualified from hiring foreign students if the Department finds misrepresentation or noncompliance with the attestation. This pilot program for off-campus employment of foreign students expires on September 30, 1994.

D-1 Crewmembers (effective May 28, 1991)

Performance of longshore work at U.S. ports by D-1 crewmembers on foreign vessels is prohibited with few exceptions. One such exception requires an employer to file an attestation with the Department stating that it is the prevailing practice for the activity at that port, that there is no strike or lockout at the place of employment, and that notice has been given to U.S. workers or their representatives. Violations may produce penalties of up to $5,000 for each alien crewmember wrongfully performing longshore work, and may bar vessels owned or chartered by the employer from entering all U.S. ports for up to one year.

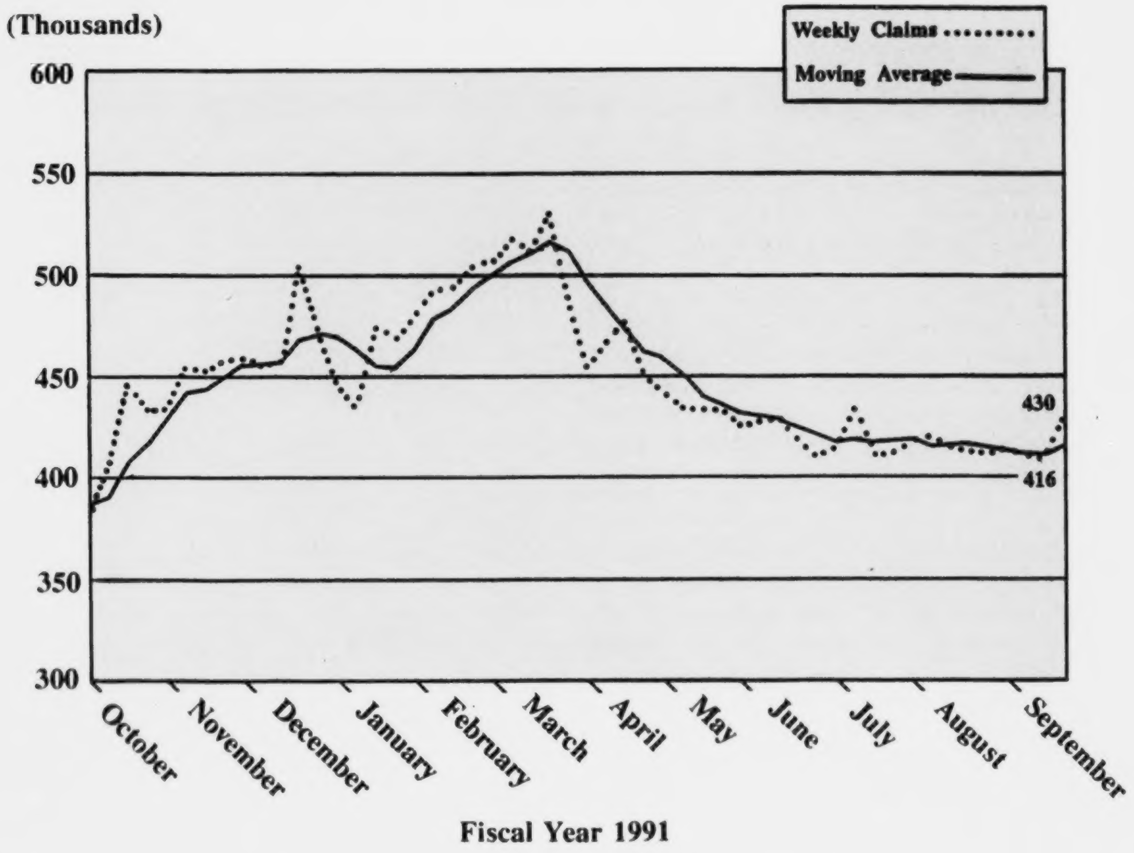
UNEMPLOYMENT INSURANCE PROGRAM

The Federal-State unemployment insurance (UI) system provides cash payments directly to unemployed persons who were engaged in work covered by State UI laws, lost their jobs through no fault of their own, and are looking for new employment. It covers about 106 million workers, virtually all persons working for salaries and wages in the Nation. The UI program was established under the tax credit and grant incentives enacted in the original Social Security Act of 1935.

The system is basically financed through State taxes paid by employers on the wages of their covered workers, although four States also collect small taxes from employees. Funds collected are held for the States in the Unemployment Trust Fund in the U.S. Treasury.

State agencies take applications for UI and administer the program. Regular benefits (cash payments to laid-off workers) are payable for up to 26 weeks in most States, and extended benefits (EB) are payable in individual States when "triggered on" by periods of high unemployment in a State. EB payments increase a

Chart 4. Seasonally Adjusted Initial Claims: Weekly Data and Four-Week Moving Average, Regular State Program



Note: The last data point is for September 28, 1991.

Source: U.S. Department of Labor, Employment and Training Administration.

claimant's benefit entitlement by half the claimant's entitlement to regular benefits, for a combined total of up to 39 weeks. Extended benefits are funded on a shared basis: approximately half from State funds and half from Federal sources.

As agents of the Federal Government, States also pay benefits to veterans with recent service in the Armed Forces, former civilian Federal employees, and workers who lose their jobs as a result of the Nation's trade policies or of a natural disaster.

FY 1991 UI Program Highlights

Approximately 10.1 million people in FY 1991 received jobless benefits under the regular State UI program, with expenditures totaling approximately $24.4 billion. Extended benefits were paid by nine State jurisdictions during the fiscal year.[16] Table 7 provides

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[16] The nine State jurisdictions were: Alaska, Maine, Massachusetts, Michigan, Oregon, Puerto Rico, Rhode Island, Vermont, and West Virginia.

Table 7. Unemployment Compensation Benefits Paid and Beneficiaries by Program, FY 1991

Program	Amount (In Millions)	Beneficiaries (In Thousands)
Regular State Unemployment Benefits	$24,420	10,147
Federal-State Extended Benefits	281	198
Unemployment Compensation for Federal Civilian Employees (UCFE)[a]	296	140
Unemployment Compensation for Ex-servicemembers (UCX)[a]	152	103
Trade Readjustment Allowances (TRAs)[b]	122	25
Disaster Unemployment Assistance (DUA)[c]	5	5
Total[d]	$25,276	10,315

[a] The UCFE program provides benefits to jobless former Federal employees, and the UCX program provides benefits to unemployed ex-servicemembers. Both programs are financed with Federal funds, with States determining benefit amounts and terms and conditions of receipt through agreements with the Secretary of Labor. Figures above include joint claims.

[b] Trade readjustment allowances are provided to workers laid off by firms affected by import competition. Claimants must exhaust eligibility for regular UI and EB before collecting TRA. (See Trade Adjustment Assistance section.)

[c] Disaster unemployment assistance aids workers made jobless by a major disaster as declared by the President. Benefit payments are funded out of the Federal Emergency Management Agency's appropriation. Individuals eligible for regular UI benefits are not eligible for DUA.

[d] To avoid duplication, EB and TRA recipients are not included in the total, and the estimated UCFE/UCX beneficiaries with joint claims are counted only once. The latter are estimated at 80,000 in FY 1991.

Source: U.S. Department of Labor, Employment and Training Administration.

summary data on benefits paid by and beneficiaries of the regular UI and EB programs and the four other Federal unemployment compensation programs. Chart 4 shows seasonally adjusted initial claims during FY 1991 for regular State programs. As the chart indicates, initial claims peaked in March, and tapered off throughout the remainder of the fiscal year.

During the *Report* period, grants totaling over $18 million were awarded to 17 States to assist them in automating their UI systems and procedures. The UI Automation Support Account (UIASA) provides financial assistance for State Employment Security Agencies to meet automation needs that cannot be financed from funds already available to the agencies. Awards are made through a panel review process at the Department, according to criteria disseminated through annually distributed field memoranda. All State agencies are eligible to compete for available funds. About $20 million per year has been made available for the past seven fiscal years.

The projects awarded funding in FY 1991 were for the redesign or upgrade of UI benefit systems through software development, hardware acquisitions, and database management systems; the redesign or improvement of tax systems through a combination of hardware and software upgrades; the acquisition of new or upgraded Central Processing Units, optical character scanners, disk operating systems, and software; and newer technologies such as voice response units, expert systems, optical disk imaging systems, laptop computers, and local area networks in the UI benefits and tax delivery areas.

In FY 1991, the Department continued a number of reemployment and self-employment demonstration programs and initiated a work search demonstration project, all designed to accelerate the reemployment of jobless workers. It also continued activities to ensure that the UI system is both fiscally sound and equitably administered. These activities included the Performance Measurement Review project, the Quality Control program, and other integrity-enhancing initiatives.

Reemployment Demonstration Projects

In FY 1991, the Department continued a series of demonstration projects begun in the mid-1980s that are designed to use the UI system to assist UI recipients in their return to work. These demonstrations have three primary objectives: (1) to identify UI recipients who meet the profile of a dislocated worker early in their period of unemployment; (2) to test different reemployment service options designed to assist targeted UI claimants to become reemployed in either a wage or salary job or through self-employment; and (3) to create effective service delivery networks for dislocated workers who are receiving UI, through improved linkages between UI and other service providers—including the Employment Service, EDWAA programs, and economic development agencies.

The States of Pennsylvania, Washington, and Massachusetts participated in such projects during the *Report* period. The demonstrations focused on a reemployment bonus and self-employment.

Reemployment Bonus Demonstration Projects

Based on the results of two earlier projects in New Jersey and Illinois, a reemployment bonus appeared to be a promising option for accelerating the reemployment of UI claimants. The bonus is a cash incentive for early reemployment. Two reemployment bonus demonstration projects in Pennsylvania and Washington were designed to identify the optimum bonus offer by testing the effect of different bonus amounts and different periods of time in which workers qualify for a reemployment bonus.

Project operations for the two demonstrations were completed in FY 1990. During FY 1991, follow-up telephone surveys of project participants and members of a control group for both projects were conducted. Research contractors for the two demonstrations then began work on the final evaluation reports which were released in FY 1992.

Self-Employment Demonstration Projects

The Department continued to study, through two demonstrations in Washington and Massachusetts, the viability of self-employment as a reemployment option for some UI claimants. The projects provided eligible UI claimants who were interested in self-employment with a package of assistance designed to help them start their own microbusinesses—usually a sole proprietorship with one or a few employees. The type of assistance offered included both self-employment allowance payments and business development services, such as business training, counseling, and technical assistance.

The Washington Self-Employment Project, called SEED, also provided participants with lump-sum payments of "seed capital," equal to their remaining UI entitlement, to help them with business start-up expenses. The project completed operations in March 1991. In total, 755 eligible UI recipients were selected for the project, with an equivalent number selected into a control group for purposes of comparison. Four hundred fifty SEED participants received lump-sum payments, averaging $4,282 per person, to start their own businesses. An interim report on this project was released in FY 1992.

The Massachusetts demonstration, known as the Enterprise Project, provides participants with biweekly self-employment payments, equal to their regular UI benefits, as an income stream while they plan and establish their businesses. The Enterprise Project began the second of three years of operations in April 1991 in seven local sites. As of September 30, 1991, a total of 263 eligible UI recipients had been selected for the project. Participants received biweekly self-employment payments averaging $536 per person, and about one-half of all participants started their own businesses. An interim report on this project was also released in FY 1992.

Work Search Demonstration Project

The area of work search represents a complex issue within the UI system. The purpose of UI is not only to provide financial support to unemployed workers separated from jobs through no fault of their own, but also to promote the reemployment of UI recipients. Methods of promoting reemployment include both reemployment services and requirements that claimants make an active search for suitable work.

During the *Report* period, the Department initiated plans for a new research demonstration project to test the effects of alternative work search requirements on UI recipients' return to work. This study draws on the findings of several previous studies, including the Washington Alternative Work Search Experiment. The overall purpose of this demonstration project is to determine how work search requirements can be made more effective and efficient.

In FY 1991, the State of Maryland was competitively selected to operate the UI Work Search Demonstration Project, with project operations to begin in FY 1993.

Performance Measurement Review (PMR) Project

In FY 1991, the Department continued its multiyear Performance Measurement Review project to examine, evaluate, and improve the mechanisms for performance measurement in the oversight of State Employment Security Agency UI programs.

The PMR project is designed to produce an integrated performance measurement system to support the Secretary's statutory oversight responsibilities and to assist SESAs to improve their UI program performance. Due to the enormity of the task and cost considerations, the project is being done on an incremental basis. Coordination with several other UI initiatives—Benefits Quality Control, Revenue Quality Control, and Cash Management—is an integral part of the project.

During Phase I, the design stage, the States were heavily involved in the discussion and recommendation process, which was completed in January 1992. The recommendations strengthen the measurement of the quality of the adjudication and appeal processes and propose measuring the timeliness of all UI payments and adjudication and appeals decisions rather than only measuring part of the universe, as is currently done. Further, the recommendations improve the statistical validity of data and provide more frequent reporting to ensure that information about deficient performance is timely.

The first phase also produced a field test design which is being further refined. The recommended performance measures will be field tested in Phase II of the PMR project. Nationwide implementation of the project will occur in Phase III.

Quality Control

The Quality Control (QC) program, a system for determining the quality of State operations, focuses on benefit and revenue operations in the UI program. It uses different methodologies, and assesses different dimensions of quality, depending on the aspect of UI operations covered. Its measurements both enable SESAs to identify and correct operational problems, and provide a means by which the Secretary exercises oversight responsibilities to determine whether States comply with Federal UI statutes.

Benefits Quality Control (BQC) provides statistically sound estimates of the accuracy of SESA benefit payment activities through its comprehensive verification of small random samples of benefit payments. Special State staff operate the program; quality assurance is provided by periodic reviews by Federal regional and national office staff. During the first four full years of the program, the weighted average overpayment rate for the UI system declined steadily, from 10.1 percent in Calendar Year 1988, to 8.8 percent in 1989, 8.0 percent in 1990, and 7.5 percent in 1991.

One of the reasons for the drop in overall overpayment rates has been program improvement actions taken by the SESAs in response to BQC findings. Some actions can be taken directly, on the basis of what is contained in the extensive data record compiled on each BQC case. The Department has provided each State with software enabling staff to analyze and display the QC findings in a variety of ways so that they can determine the causes, responsibilities, and magnitude of payment errors, and make improvements directly.

Often, however, QC data indicate only where errors are occurring and their probable magnitude; to develop program improvement plans, other management information or specially targeted studies are also needed. The Department has encouraged this activity by allowing States to temporarily reduce sampling levels so that the States can conduct such studies. Since late 1988, 30 states have undertaken one or more program improvement studies. Twenty-seven States had completed a total of 116 such studies through September 30, 1991. During FY 1991, 18 States conducted 38 approved program improvement studies.

Unlike BQC, which assesses only accuracy, Revenue Quality Control (RQC) assesses the accuracy plus the timeliness and, as appropriate, the completeness of tax operations. Due to the complexity of revenue operations, RQC is being developed in a series of four separate components or modules. Each employs different evaluative methodologies and examines different aspects of tax quality. (1) The *Core RQC* module is the most developed. It assesses accuracy by examining the quality assurance or internal control systems of State processing operations, and timeliness and completeness by a variety of automated reports. (2) Employers' UI payroll tax rates are experience rated, i.e., they reflect the amount of "chargeable" benefits paid to former employees. A second module, the *Benefit Charging* component, has been developed to assess how accurately both these charge decisions are made and how benefit charges are allocated to employers' accounts. (3) The *Employer Compliance* module will examine external accuracy—the accuracy of employers' contribution reports—by auditing a random sample of known employers. The findings will be used to estimate noncompliance rates and formulate profiles of firms likely to be out of compliance to guide future audit selection. (4) To ensure the validity of the reports-based measures used in the *Core RQC* module, the *Validation of Reports* module will develop and test a methodology for validating key data.

During the first half of FY 1991, the designs for *Core RQC* and *Benefit Charging RQC* were refined in preparation for field testing. After selecting six States to test *Benefit Charging RQC* and eight to test the *Core RQC*, staff were trained and testing began. Field testing was concluded in FY 1992. The design for *Employer Compliance* was refined during FY 1992.

Voluntary implementation of the *Core RQC* and *Benefit Charging* components began in FY 1993. The other two modules are expected to be implemented in future years.

Other Integrity Initiatives

In addition to the PMR and QC programs, the Department supported a number of ongoing efforts to improve the integrity of the UI system. For example, staff identified approximately $369.4 million in FY 1991 in State UI benefit overpayments, and as of September 30, 1991, recovered $215.8 million.

All States operated systems that allowed them to more easily identify potential fraud cases and to increase the amount of overpayments recovered. The most widely used detection and recovery systems used by States are the Model Crossmatch System and the Model Recovery System. All States participated in the Systematic Alien Verification for Entitlements program, a verification system to ensure that aliens meet immigration status requirements for UI program eligibility.

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Title II of the Trade Act of 1974 (P.L. 93-618), as amended, authorizes reemployment services to workers who lose their jobs or have their hours or wages reduced because of increased imports of articles which are like or directly competitive with those produced by the workers' firm.

Under the Trade Act, worker groups who believe that separations, or the threat of separations, from employment are the result of import competition may file a petition for Trade Adjustment Assistance (TAA) with the Department of Labor. A factfinding investigation is conducted to substantiate that the worker separations are linked to import competition. The requirements for TAA eligibility are:

- A significant number or proportion of the workers have become totally or partially separated from their jobs, or are threatened with separation;
- Sales or production, or both, have decreased absolutely; and
- Increases of imports of articles like, or directly competitive with, the articles produced have contributed importantly to worker separations and to decreased company sales or production.

Workers certified by the Secretary of Labor as eligible to apply for TAA may receive training in new occupational skills, a job search allowance when suitable employment is not available in the workers' normal commuting area, a relocation allowance when the worker obtains permanent employment outside the commuting area, and a weekly trade readjustment allowance.

Chart 5 provides a profile by major industry of the petitions certified and workers served under TAA, since the program's inception in 1975 through the end of FY 1991.

In FY 1991, 1,509 worker petitions were filed with the Department. During the fiscal year, 549 petitions were certified, covering approximately 52,857 workers, while 851 petitions were denied. Another 41 petitions were terminated. At the end of FY 1991, 270 petitions were in process.

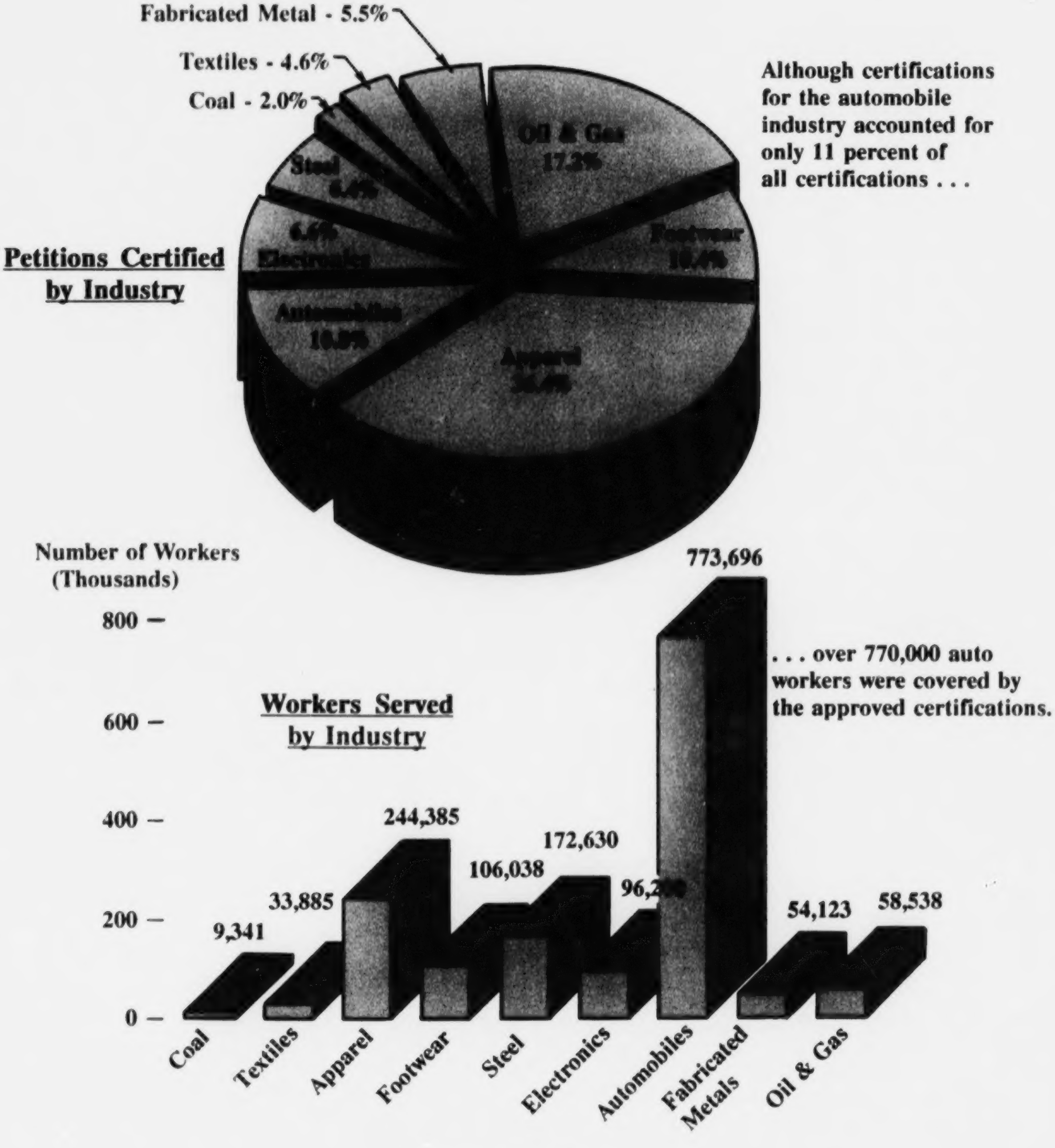
During FY 1991, $115.7 million in TRA benefits were paid to an estimated 25,200 certified workers by State Employment Security Agencies. Figures for FY 1991 also show that almost $65 million of TAA funds were allocated to the States for training and job search and relocation allowances, and for the cost to States for administering TAA program services. Table 8 provides TAA program information for FY 1991.

Table 8. Trade Adjustment Assistance Program Services and Allowances

Activity	FY 1991
TAA Program Services:	
Application for reemployment services	35,872
Employment Service placement/ obtained jobs	12,881
Entered training	20,093
Job searches[a]	525
Relocations[a]	759
Trade Readjustment Allowances:	
Workers filing for TRA	45,099
Workers receiving first payment	25,221
Total weeks of TRA paid	685,516
Amount paid (in millions)	$115.7
Average weekly benefit paid	$168.72

[a] Number of workers who received allowances to conduct job searches and to relocate to another geographic area to obtain suitable employment. Source: U.S. Department of Labor, ETA.

Chart 5. Trade Adjustment Assistance Determinations by Major Industry: April 1975* - September 1991



Although certifications for the automobile industry accounted for only 11 percent of all certifications . . .

. . . over 770,000 auto workers were covered by the approved certifications.

*Program inception.

Source: U.S. Department of Labor, Employment and Training Administration.

LABOR SURPLUS AREAS PROGRAM

Since the early 1950s, the Department has designated jurisdictions experiencing high unemployment as "labor surplus areas."

The purpose of this classification is to direct the Government's procurement dollars into areas where people are in the most severe economic need. Employers located in these areas receive preference in bidding on Federal procurement contracts.

The Department issues a list of labor surplus areas annually and adds new areas throughout the year under an "exceptional circumstances" provision.

Under the provision, areas that did not meet the high unemployment criterion for the initial list, but since have had major disruptions in their local economies—due to natural disasters, plant closings, major layoffs, or contract cancellations—may be added.

The list for FY 1991 contained those civil jurisdictions that had an average unemployment rate of at least 6.6 percent for the period January 1988-December 1989. Initially, 1,601 civil jurisdictions were designated as labor surplus for FY 1991, with 17 more civil jurisdictions added under the exceptional circumstances provision during the year.

In FY 1991, the Department also classified four Primary Metropolitan Statistical Areas (PMSAs) and four Metropolitan Statistical Areas (MSAs) as labor surplus areas under the exceptional circumstances criteria. These were the first PMSAs and MSAs to be classified as labor surplus areas under regulatory changes made in the program by the Department.

Thus there was a total of 1,626 labor surplus areas at the end of FY 1991—1,618 civil jurisdictions and eight statistical areas.

The labor surplus areas program is authorized by P.L. 99-272, P.L. 95-89, and P.L. 96-302.

NATIONAL COMMISSION FOR EMPLOYMENT POLICY

The National Commission for Employment Policy, authorized by Title IV of the Job Training Partnership Act, is an independent Federal agency charged with examining broad questions of development, coordination, and administration of training and employment programs, and advising the President and Congress on national training and employment issues.

It is composed of 15 members, private citizens appointed by the President and broadly representative of business, labor, commerce, education, veterans' groups, State and local elected officials, community-based organizations, persons served by training and employment programs, and the general public.

In PY 1990, NCEP conducted a variety of research activities, held a number of meetings, hearings, and conferences, and published several reports. Its appropriation during the period was approximately $2 million.

Research

During PY 1990, the Commission's research agenda was divided into five categories:

Anticipating Economic Change. The Commission sponsored research on the short- and long-term changes in the labor market due to current changes in the economy and on international events affecting the U.S. workforce.

Responding to a Changing Labor Force. In response to the changing demographics of the Nation's labor force, the Commission initiated a project on the economic and demographic diversity of the labor force and on the demands this diversity is placing on the education and employment and training systems.

Improving Coordination of Federally Sponsored Employment and Training Programs. The Commission pursued two coordination projects during the year. One focused on improving coordination in public assistance programs; the other examined JTPA's eight percent education coordination set-aside.

Overseeing Implementation of the Job Training Partnership Act. The Commission completed the first phase of a project on the feasibility and desirability of using UI wage record data to measure performance outcomes and evaluate JTPA Title II-A adult programs. It also began an examination of the long-term employment and earnings outcomes of adult participants based on the UI wage record data.

Enhancing the Scope of Employment and Training Programs. During the year, the Commission focused on Congressionally mandated studies concerning "alternatives to layoffs" and on the role of the Employment Service in serving dislocated workers under the Economic Dislocation and Worker Adjustment Assistance program.

Meetings, Hearings, and Conferences

In PY 1990, in addition to its five official meetings, the Commission held hearings on "Overcoming Employment Barriers Faced by Individuals with Disabilities" and a series of seminars on "Improving Coordination of Government-Sponsored Public Assistance Programs." The Commission also sponsored: (1) a conference in Washington, D.C., on "Training a Diverse

Population;" (2) the annual meeting of the National Association of State Job Training Coordinating Councils Chairs; and (3) a focus group meeting of the Board of the National Association of Private Industry Councils. Furthermore, it cosponsored a conference held by the Ventura County, California, Department of Alcohol and Drug Programs, designed to bring together community leaders and professionals in the field of substance abuse and prevention.

Reports Published

In PY 1990, the Commission published its *Fifteenth Annual Report to the President and the Congress of the United States* and three additional reports: *Employer Strategies for a Changing Labor Force: A Primer on Innovative Programs and Policies*; *A Feasibility Study of the Use of Unemployment Insurance Wage-Record Data as an Evaluation Tool for JTPA, Report on Project's Phase I Activities*; and *Evaluating State-Financed Workplace-Based Retraining Programs: A Report on the Feasibility of a Business Screening and Performance Outcome Evaluation System.*

NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

The National Occupational Information Coordinating Committee is a Federal interagency committee established by Congress to promote and coordinate the development and use of occupational, labor market, and career information. This information is used to support training, employment, and vocational program planning at the State and local level and career exploration by youth and adults. The Assistant Secretary for Employment and Training and the Commissioner of the Bureau of Labor Statistics from the Department are two of the 10 members of the Committee that includes representation from four other Federal Departments.

In PY 1990, NOICC allocated $6.9 million of its total funding of $9.1 million to State Occupational Information Coordinating Committees (SOICCs), representing more than 75 percent of the funds that NOICC receives from the Departments of Labor and Education. These funds, averaging slightly over $123,000 per State, covered State staff and other costs associated with supporting State and local occupational and career information systems and career development services, as well as coordination among the SOICC member agencies in carrying out these services. Selected highlights of PY 1990 activities follow.

Forty-seven States operated occupational information systems (OIS) to support JTPA program planning, and 39 States operated the NOICC-designed and NOICC-supported Micro-OIS, a microcomputer-based system that matches occupational projections to the number of participants/students in current training programs. The OIS helps JTPA and vocational education planners develop training strategies and program offerings that address the employment needs of the labor market.

Forty-eight States operated Statewide career information delivery systems (CIDS) in nearly 19,000 sites, serving more than seven million users. CIDS are computer database systems that provide information for individuals exploring, planning, or making decisions about careers. They contain national, State, and local information about occupations, educational and training institutions and programs, and related subjects. JTPA and Employment Service (sometimes called Job Service) offices increasingly used CIDS during 1990 to assist adults in career transition and exploration.

A State Training Inventory (STI) system was developed and pilot-tested in seven States. STI is a database system that allows users to identify what programs are offered at different schools and what schools exist in a State (down to the county level and based on areas selected by the user). STI may help JTPA planners identify schools with which they may want to work.

NOICC sponsored two technical conferences for State staff on developing industry and occupational projections. This service helps ensure that staff responsible for State and local occupational projections are adequately trained and are current in occupational/industry projection techniques. Such data allow JTPA planners to identify promising areas for training and to more effectively prepare participants for the employment needs of the labor market.

More than 30 States used NOICC's National Career Development Guidelines to develop standards for career development and guidance programs. The guidelines provide a key resource to help ensure the relevance of the education curriculum to the workplace.

The Employee Career Development (ECD) project materials were pilot-tested in three States. ECD is a counselor training project that focuses on assisting adult workers in career transition. The program trains counselors and human resource advisers at adult training and employment service organizations (including JTPA programs), educational institutions, and private companies to help adults make informed decisions about education and training.

A major revision of the Improved Career Decision

Making (ICDM) curriculum training package was completed in PY 1990. SOICCs use the ICDM materials to train JTPA, ES, and education counselors how to make better use of occupational and career information. The training package includes a computer-managed interactive video training module, improved linkages to the National Career Development Guidelines and CIDS, and case studies tailored to special population needs. Thirty-one SOICCs conducted ICDM in-service workshops during the year, training nearly 3,000 counselors.

NOICC initiated a new Occasional Paper Series during the program year to provide information about important innovations and issues related to occupational information, career information, and career development products. The first three papers issued were: *Occupational Information and International Development: Improving Human Resource Development Diagnostics; An Appraisal of NOICC/SOICC Needs for Data From the 1990 Decennial Census*; and *National Career Development Guidelines: Progress and Possibilities*.

During PY 1990, development of the Civilian Occupational and Labor Market Information System (COLMIS) was completed, and the system was operational at 22 military sites. COLMIS was developed with funding from the Department's Veterans' Employment and Training Service (VETS). It provides summary profiles of local labor markets to assist persons separating from the military to make decisions about where to relocate. COLMIS may be used to support military transition efforts and to link individuals with local employment service offices.

In November 1990, NOICC supported by satellite a career development workshop which reached 350 sites in 26 States. An estimated 4,000 elementary school personnel, parents, and community leaders were trained in career development concepts and techniques.

CHAPTER 2

RESEARCH AND EVALUATION FINDINGS

RESEARCH AND EVALUATION FINDINGS

INTRODUCTION

This chapter of the *Training and Employment Report of the Secretary of Labor* summarizes the findings of major research and evaluation projects sponsored by the Department's Employment and Training Administration and completed during the period July 1, 1990, through June 30, 1991.

The project summaries are organized under three headings: (1) strengthening workforce quality, (2) labor market studies of specific groups, and (3) program development and improvement. Readers should keep in mind that these summaries are not intended to represent *all* of the information provided in the studies; additional information may be found in the full reports which are referenced in the footnotes. The annotated bibliography that follows this section lists all research and evaluation reports presented in this edition of the *Training and Employment Report*.

Because the project summaries focus on specific aspects of complex labor market and program issues, readers are cautioned that no single study can provide complete insight into a particular subject area. Also, the context in which a study is conducted can have an important impact on the applicability of its findings. Grantees undertaking research and evaluation projects sponsored by ETA are encouraged to freely express their professional judgment; therefore, points of view, opinions, conclusions, and recommendations described in this section are those of the researchers and evaluators and do not necessarily represent the official position or policy of the Department of Labor.

STRENGTHENING WORKFORCE QUALITY

During PY 1990, the Department sponsored research in several areas related to the quality of the Nation's labor force. These were: (1) an investigation of the impact of changing competitive standards, new technologies, and emerging organizational structures on jobs and skill requirements in the workplace; (2) a study of the changes in local, regional, and State economies as they relate to local labor market needs; (3) a review of how employers have modified work schedules, terms of employment, and nonwage benefits in response to changes in labor demand and supply; (4) an investigation of ways that American and Japanese employers and policymakers can work together to better understand each other's workforce development systems; and (5) the SCANS study on what work requires of schools. The results of this research are summarized below.

New Competitive Standards

American workers in the 1990s will need a new set of skills, according to a study of today's highly competitive economic environment.[1] The study report examines the demands placed on the workforce as a result of the "new economy," which requires improved productivity as well as the ability to provide quality, variety, customization, convenience, and timeliness in the delivery of products and services.

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[1] Anthony P. Carnevale, *America and the New Economy*, (Alexandria, Va.: American Society for Training and Development, 1990). This publication is the last in a series of reports produced by the American Society for Training and Development for the Department. The other reports in the series were *Workplace Basics: The Skills Employers Want, The Learning Enterprise*, and *Training Partnerships*.

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Market Forces and the New Economy

The report describes how changes in market forces have brought about the new economy. These changes include: (1) the increased wealth of nations; (2) the globalization of economic competition; (3) diversification of taste; (4) the importance of time in product/service development and delivery; (5) the commercialization of homemaking and personal care; (6) expanding consumer participation in product and service delivery; and (7) the widespread use of new types of technology.

Wealth of Nations. According to the author, an important reason why people are demanding more in the way of goods and services is because they can afford more. Since the end of World War II, the buying power of the average American has grown enormously. For the most part, American workers had to work only half as many hours in 1988 as in 1950 to buy the same goods. The report points out that most of the increase in earnings occurred prior to 1973, and that Americans have increased their buying power, especially since 1980, by spending more, saving less, and borrowing.

Globalization of Economic Competition. Global competition was accelerated by the need to find new markets for mass-produced goods when existing markets became saturated. The impact of this competition has been quite profound. Globalization has increased the intensity and nature of competition. As the report points out, the supply exceeds the demand for most products throughout the world; therefore, the competitive importance of productivity and prices is reduced. Instead, quality, variety, customization, convenience, and timely delivery of state-of-the-art products and services provide the competitive edge.

In addition, globalization has significantly altered the traditional "product cycle" throughout the world. No longer is the American market the exclusive focal point for developing new technologies and products. On the contrary, human and financial capital is increasingly available outside the United States, and the markets of many nations have accrued sufficient wealth to drive new product demand. American businesses have no choice but to adopt the complex competitive standards of the global market and to devise a new set of rules and procedures to stabilize world trade. The Nation's domestic markets are no longer large enough to satisfy its productive capabilities, and the extension of economic activity into the global market is necessary if the country is to increase its own standard of living.

Diversification of Taste. Consumer tastes have diversified as a result of increasing economic wealth. As people become more affluent, they spend a smaller share of their income for the basics (food, clothing, and shelter) and they begin to demand variety, quality, tailoring, convenience, and state-of-the-art products and services.

Importance of Time. An increasing scarcity of consumer time available to shop for goods and services has had an enormous impact on competition for consumer dollars and loyalty. The report notes that busy people have neither the time nor the patience to tolerate shoddy products or second-rate services. They want products and services tailored specifically to their needs. More and more, consumers want products and services that can be consumed conveniently and are loyal to institutions that consistently provide quality.

Commercialization of Homemaking and Personal Care. As a result of the scarcity of time, Americans are increasingly interested in buying goods and services that help them work at home more efficiently. They are also more willing to buy goods and labor to do the chores they would otherwise do themselves. The commercialization of homemaking, recreation, and personal care stems from the new work roles of women and changes in the structure of the American family. This commercialization will continue to expand market standards beyond price competition. Quality, choice, and services tailored to individual needs are important consumer considerations for these services.

Expanding Consumer Participation in Production and Service Delivery. A distinctive feature of the new product and service markets is the extent of consumer participation—both in the service and manufacturing industries. Customer-focused organizational structures increase the ability of producers to tailor products by involving customers in production or service delivery.

Consumer participation helps institutions meet new market standards. For example, computer-based technologies allow customers to participate in designing goods and services tailored to their individual needs and preferences. Examples range from the growing proportion of shorter and more tailored production runs in manufacturing to greater customer involvement in the design of houses and insurance packages. Increased customer involvement in the use of goods and services can have the same effect: teller machines provide convenience and allow the consumer to customize services; the VCR is more convenient and allows more variety than the movie theater or television.

Technology. New market standards would not have been possible without a new role for technology. In recent years, Europeans and Japanese developed work processes for using narrow-purpose and relatively inflexible equipment more fluidly. They learned to use team-based production to reset machines or quickly move different machines in and out of the assembly line to reduce downtime when changing from one version of a product to the next. Also, the computer has brought a new level of built-in flexibility and precision in production and service delivery. The computer's precision has allowed employers to increase productivity and quality standards. This new technology's precision saves time by allowing workers to make changes with a few keystrokes rather than reconfiguring entire production systems or work processes.

The United States and the New Market Standards

The American productivity rate is still the world standard, according to the study. However, the *rate of increase* in productivity is much greater among this Nation's competitors (see Chart 6). If this trend continues, the productivity of other nations will catch up to, and eventually surpass, that of the United States.

As the study points out, the United States needs to improve productivity by only 1.2 percent each year—a difficult but attainable target—in order to improve the standard of living by approximately 1.5 percent per year, a rate sufficient to afford the accustomed lifestyle of Americans.

The most positive change in productivity has occurred in manufacturing, which made a remarkable comeback in the 1980s, growing at a rate above three percent since 1982. The service sector, on the other hand, is the principal drag on the Nation's overall productivity.

The report also points out that the new competitive "framework" includes not only robust productivity (characterized by reduced personnel costs), but also flexible volumes in production (characterized by customization in products or services), speed, affordable quality, and a focus on meeting customer needs. It notes that quality appears to be primary among the new competitive standards and is rapidly becoming "the bully on the block."

The report highlights a number of impediments to technical progress and discusses technical capabilities that determine the choice as to how to combine people and technology at work. The report describes new economic life cycles for products and services and provides details to organize America for the new economy. Examples from 13 major industries are provided.[2] The quantity, quality, and distribution of jobs in the new economy are also reviewed in the report.

Finally, the report describes the changes in skills needed as a result of the new economy and provides details about basic workplace skills needed for the future. They are:

- Academic skills (reading, writing, and computation);
- Learning to learn skills;
- Speaking and listening skills;
- Adaptability skills (problem-solving and creative thinking);
- Developmental skills (goal-setting, motivation, and personal and career development);
- Group effectiveness skills (interpersonal skills, negotiation, and teamwork); and
- Influencing skills (such as organizational effectiveness and leadership skills).

The Impact of Economic Change on the Workforce

The results of a study of the economic changes taking place in four States (Colorado, Indiana, Mississippi, and Missouri) indicate that government policymakers, business leaders, and individuals need to work together to respond to changing economic situations at the local level.

The study of workforce preparation as it relates to changing local economic conditions and economic development efforts consisted of basic demographic and economic research, detailed questionnaires sent to 35,000 employers, regional "congresses," and informal focus group discussions.

Through these activities, the researchers examined the changes occurring in each of the four States and the public and private responses to these economic changes.

The study's report is intended to provide guidance for State policymakers interested in examining and acting on changing economic and employment situations in their States.[3]

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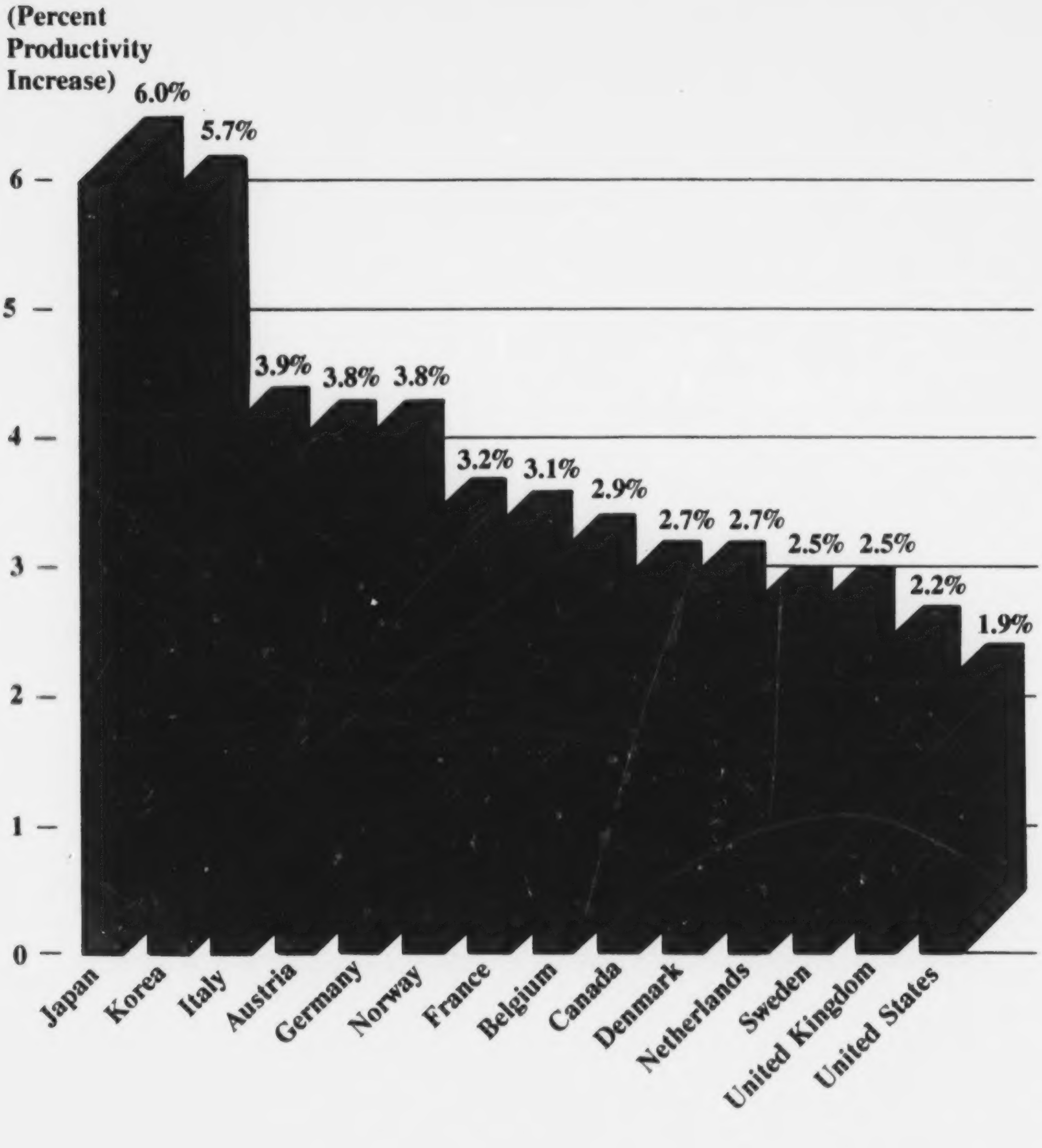
[2] The industries examined were: automotive, food, chemical and pharmaceutical, commercial aircraft, consumer electronics, microchip, computer, machine tool, wholesale and retail, health care, housing, apparel, and financial services.

[3] Hilary Pennington and John Niles, *Economic Change and the American Workforce* (Cambridge, Mass.: Jobs for the Future, Inc., 1992). The report is in four volumes. Volume I is the executive summary and provides the basis for the summation presented here. Volume II presents detailed findings from research and communications activities conducted by Jobs for the Future, Inc., in Colorado, Indiana, Mississippi, and Missouri, including economic summaries, employer and worker surveys, field interviews, focus groups, and regional congresses. Volume III presents individual strategic plans on workforce preparation and economic development by the research organization in four States, and Volume IV contains technical assistance materials.

Chart 6. Annual Average Percentage Increase in Productivity, 1950-1989



Source: U.S. Department of Labor, Bureau of Labor Statistics, as noted in *America and the New Economy*.

The report points out that all four States studied demonstrated similarities in their response to changing economic conditions. For example, in most cases, State leaders, employers, and employees recognized the nature of local and national economic trends, and, to some degree, understood the effects of these trends on local training and employment needs. Also, in each State studied, government officials, employers, and workers responded to the changing economic climate, but not at the speed required or on a scale sufficient to make a significant difference in worker preparation.

The study notes, however, that there are more differences in economic and demographic characteristics among the States than similarities. Summaries of these differences follow.

Colorado. Shifts in industry sector were most prominent in Colorado compared to the other three States studied. From 1970 to 1989, jobs in the Colorado service sector accounted for 71 percent of all new jobs, while the goods-producing sector provided only nine percent of the State's new jobs. In the 1980s, blue-collar workers in Colorado faced unemployment rates three to five times higher than those of professional and technical workers.

Indiana. Until the 1980s, Indiana maintained a traditional manufacturing economy associated with heavy industry and blue-collar jobs. However, between 1973 and 1988, 125,000 manufacturing jobs were lost across the State, while 152,800 new jobs in various service industries were created. Even with these changes, Indiana has one of the highest concentrations of jobs in the manufacturing sector of any State.

Indiana is also in the midst of a major demographic change. Almost all net new entrants into the labor force between 1980 and 1988 were female. In addition, the number of people in every age group under 34 years of age in Indiana is expected to decline between now and the turn of the century, while the number of people in every age group over 35 will increase. Projections show that more of the young people in the State will come from racial minorities and single-parent homes.

Missouri. Missouri is characterized by highly divergent regional economies. The St. Louis area has been a center for mature manufacturing industries for more than a century. Kansas City, on the other hand, is growing rapidly because of increases in telecommunications and other new service industries. The northern farming area of the State has been adversely affected by the farm recession, while the southwestern corner of the State is experiencing growth in the number of jobs related to tourism and retail industries (although income levels in many of these jobs are low).

Growth in the service industries more than made up for the loss of jobs in leather goods, apparel, textiles, and the automotive industry over the past several years. However, as a result of these changes, Missouri now faces a gap between the educational level of its current workforce and that required by the new service sector jobs. Chart 7 shows the workforce education level needed in the State as a result of these new higher-skill jobs.

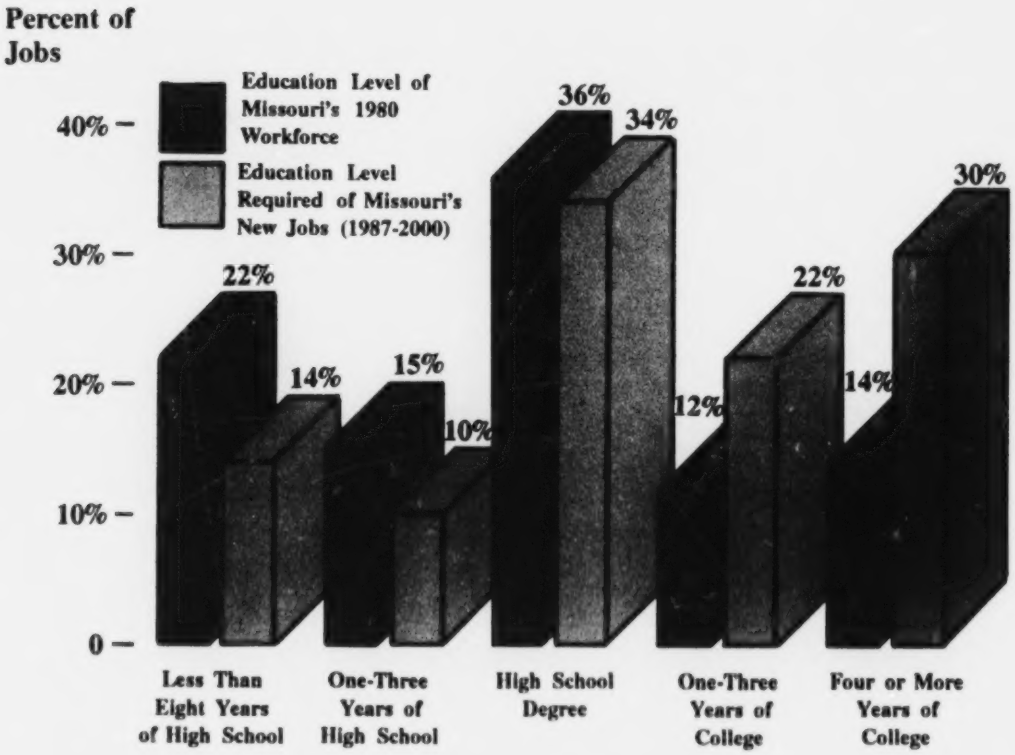
Mississippi. Mississippi's industrial profile continues to depend on industries like apparel, textiles, and furniture-making. In addition, Mississippi has recently experienced an increase in its young population. The State's young future workforce contrasts sharply with the labor force profile of the other three States studied—only about 55 percent of the workforce in the year 2000 is on the job today in Mississippi (compared to a national figure of about 75 percent). However, as the workforce's age decreases, a disproportionate percentage of young people in Mississippi will not graduate from high school. For the most part, the State faces a weaker industrial base, more persistent poverty, and more acute basic education deficiencies than the other three States studied.

The report points out that State officials generally understand that different industrial sectors are rising and falling within their boundaries and that small companies are increasingly important in creating employment opportunities in their States. In addition, the report notes that some State officials are among the first to recognize the growing importance of high-skill workplaces and the need for sophisticated, flexible educational training systems. However, this growing awareness is not necessarily reflected in how State governments are organized for encouraging economic development and responding to changing economic conditions.

The report also notes that even though there are major differences in the States' economic conditions, the most important component of State economic development efforts should be the improvement of workforce skills. State governments need to focus their attention on five areas if they are to successfully reorient their economic development strategies and programs. These areas are: (1) recognizing how economic growth occurs; (2) knowing what type of new economic development strategies are appropriate; (3) tailoring economic development strategies to meet large and growing substate regional differences; (4) building consensus within communities about a common economic future; and (5) developing education and training systems that function in response to changing economic and demographic situations.

Finally, the report presents a series of recommenda-

Chart 7. Missouri's Workforce Education Level Is Below What Is Needed for New Jobs



Source: Jobs for the Future analysis of data from the Missouri Occupational Coordinating Council, as reported in *Economic Change and the American Workforce*.

tions for developing State economic policy in the 1990s, based on the changing economic situation in the four States studied. These recommendations include:

- ***Developing an integrated, market-driven system of lifelong learning***. States need to undertake a variety of initiatives to make education and training more accountable for results, capable of providing a closely integrated lifetime of skill enhancement, and more sensitive to the needs of employers and workers.
- ***Developing a system that makes existing institutions accountable for meeting local training and employment needs of the workforce***. Education and training institutions and public job training programs should measure learning and skills acquisition. State and local clearinghouses should be established to provide uniform, usable information about economic changes and corresponding skill needs, job opportunities, and training requirements. States should also develop common measures of performance for training and educational institutions and establish sanctions for nonperforming institutions and programs.
- ***Encouraging the development and delivery of work-based adult training***. This includes securing the commitment of top management, making worker training part of corporate plans, and finding ways that allow the private sector to pay for most of the training, using public investments strategically as

"leveraging incentives" (e.g. tax credits and loan pools). Public institutions should develop ways to provide training at the worksite during working hours and to ensure that the training is continuous. Training should also be designed for front-line workers, not just for managers and professionals.

- ***Improving the transition from high school to high-skill careers***. Communities cannot effectively pursue new human resource investments without addressing the needs of those high school youngsters who are not planning to attend college. States and companies must achieve a closer integration of school and work, between academic and occupational learning, and between classroom and work-based learning.
- ***Closing the skills gap***. By determining what is needed in the workplace and what is being provided by public and private trainers, the skills gap between the two can be better defined, thus focusing employer interest on issues related to human resource development.
- ***Involving citizens in the debate over solutions***. Policymakers should involve all individuals in decisions related to economic change. State leaders need a broad base of support if they are to effectively design a response to changing economic conditions and worker preparation requirements.
- ***Understanding workforce preparation issues in the context of substate regional economies***. The need for specific workforce skills must be understood and met in the context of operating labor markets, not just based on theory or statewide data. For example, concepts applicable to rural Indiana and its comparatively economically healthy small towns cannot be transplanted to rural Mississippi, which has a different set of needs. Effective strategies should develop a local capacity for economic development and workforce preparation; create new community and regional forums for strategic planning of human investment and workforce preparation decisions and for coordinating institutions and resources; and design programs that are managed locally rather than statewide.
- ***Building the demand for higher skills***. States should give high priority to building the demand for higher skills within their State economies. This means giving the highest priority in their economic development efforts to modernizing their existing industrial base. In order to encourage companies to adopt a high-performance work environment, States can: (1) assure that technology transfer programs are in place that help small- and medium-sized businesses gain access to available production technologies; (2) encourage groups of companies to work together to identify and solve common workforce needs; (3) ensure that all State business development programs incorporate a component for human resource development; and (4) encourage larger companies to promote technology assessment, management assistance, and training along supplier networks.
- ***Addressing workforce development challenges on a large scale***. States can undertake a variety of strategies to leverage significant investment and ownership of worker training from the private sector. Initiatives that are created and funded by the States should be targeted toward as many workers as possible. Small-business training consortia, apprenticeship programs, dropout prevention, modernization efforts, and many other effective State-supported programs can be convened by State leaders and encouraged by the use of incentives.

Alternative Work Schedules, Employment Terms, and Benefits

Employers are increasingly adopting flexible employment strategies in response to changes in demand and labor supply conditions. A study of these flexible employment strategies, or "contingent" forms of work (part-time work, temporary work, and self-employment), found that almost one-quarter of the U.S. workforce now falls within these categories.[4]

The report reviews other forms of "flexible" employment arrangements, including changes in the work schedule of full-time workers (flextime and overtime), the growing use of high-turnover full-time employment (full-time workers hired on a project basis), and an increasing reliance on subcontracting. In addition, the study investigated the differences in employee benefits between "traditional" employment and contingent employment.

The study analyzed the roots of contemporary contingent work and flexible employment and traced them to changes in consumption and production patterns that began in the mid-1960s, all of which have forced employers to respond in new ways.

Forces of Change. Not only did consumption patterns for goods and services shift after the Second World War as a result of rapidly rising standards of living and changes in demographic structure, but growing wealth contributed to a shift in demand from goods to services over the past several decades. Computer technology also contributed to fundamental changes in production which resulted in a demand for upgrading worker skills. Moreover, the globalization of the economy and intensified competition forced U.S. firms to control costs better and increase quality, service, and customization of their products. Finally, the report notes that the time periods between product introduction, alteration, and exit from a market have been shortened dramatically.

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[4] Susan Christopherson, Thierry Noyelle, and Beth Redfield, *Flexible Employment, Contingent Work: Implications for Workers' Benefits* (New York: Columbia University, 1990).

Product Flexibility and Vertical Disintegration. As a result of the changes noted above, U.S. firms reassessed their traditional relationships to the final market, to their suppliers, and to their labor force over the years. For example, the shortening of the product life cycle (the time required to develop and manufacture a product and the length of time it is on the market) forced many U.S. firms to change their scale and scope of production. Firms found it necessary to eliminate operations formerly carried out in-house. This process, known as "vertical disintegration," allowed companies to narrow their scope and to become more focused.

Despite rapid growth of small firms during the late 1970s and early 1980s, large firms maintained a major presence in nearly all sectors of the economy. Although significant employment growth was experienced by smaller firms during the late 1970s and early 1980s, by the mid-1980s this growth differential had almost vanished. Chart 8 compares growth in small and large firms over recent years.

Workforce Changes Based on Vertical Disintegration. Vertical disintegration has also resulted in changes in firms' relationships with their workers as they find new ways to organize work and deploy their workforces. This "labor flexibility" can take a number of forms including more flexible wage compensation, encouragement of faster rates of job turnover, flexible full-time work schedules, and "contingent" work.

Categories of Contingent Work

The report briefly summarizes available information on contingent work and employers' strategies to adjust their labor forces to respond to their changing needs. The report then focuses on general trends in contingent work: (1) part-time work; (2) temporary work; and (3) self-employment.

Part-Time Work. As of 1988, 18.7 percent of U.S. jobs were part-time. This represents nearly 22 million jobs or slightly less than one out of every five jobs. From the 1950s until the mid-1980s, part-time employment grew faster than full-time employment. This trend slowed somewhat beginning in the mid-1980s.

Part-time workers are divided into two groups—those who work part-time by choice (voluntary) and those who work part-time but less than their desired number of hours (involuntary). The latter group includes both full-time workers who work part-time because of a lack of work hours, and part-time workers who work less than their desired number of part-time hours because of the lack of additional work hours. IN 1988, 16.3 million people worked part-time voluntarily, while 5.2 million were involuntary part-time workers.

The report also points out that, as of 1987, 46 percent of the working youth between the ages of 16 and 21 were part-time workers. In addition, between one-fifth and one-fourth of the working women between the ages of 22 and 64 worked part-time, and over one-half of working people over the age of 65 were working part-time. This compares to less than seven percent of working men between the ages of 22 and 64. Among the adult men and women in the labor force, part-time employment is more prevalent for white women than it is for minority women, but substantially more for minority men than for white men.

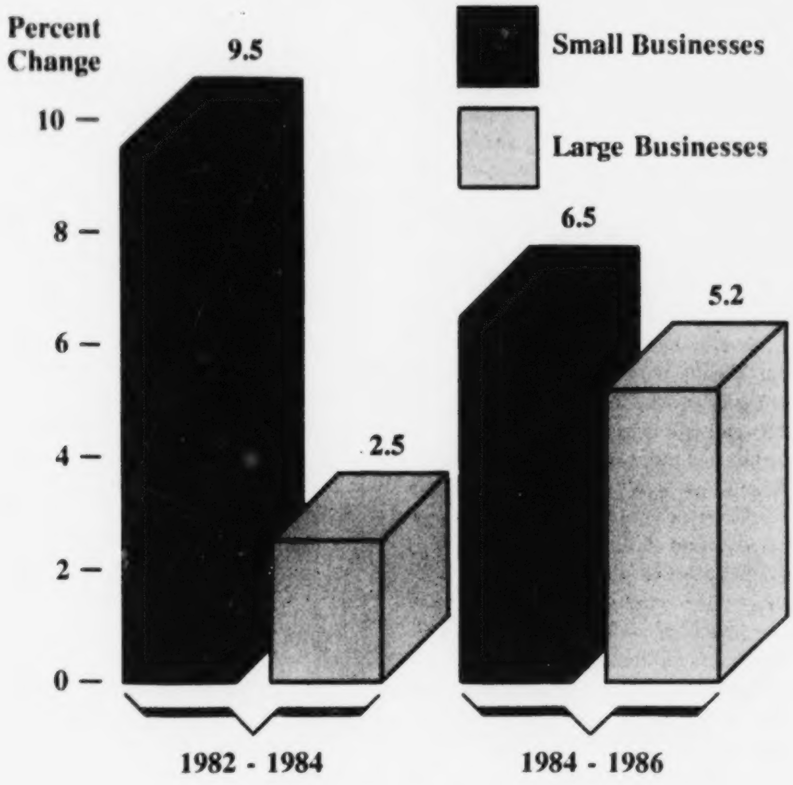
During the 1970s and 1980s, voluntary part-time work became particularly concentrated in the clerical, sales, and technical occupations in a set of mostly service industries dominated by relatively large firms. For the most part, involuntary part-time work has become more prevalent in manufacturing industries. (As of the mid-1980s, for example, involuntary part-time workers represented seven percent of the durable goods manufacturing workforce.)

Temporary Work. Businesses are increasingly using temporary employees to produce products and deliver services. Although part-time jobs continue to dominate the flexible labor market, the use of temporary work is expanding more rapidly than the use of part-time employment. Temporary employees can be divided into two categories—those working through temporary agencies (known as the temporary work supply industry) and those hired directly by employers as part of a structured internal pool of temporary workers.

The Temporary Work Supply Industry. In 1988, the temporary work service industry employed close to one million workers as temporaries at any given time. More importantly, however, is the fact that almost six million people worked as temporaries at some time during the year. Table 9, page 49, shows the increase in the temporary help supply industry since 1970.

The best available information on the characteristics of workers in the temporary supply industry is from the May 1985 Current Population Survey. The survey indicated that 64 percent of temporary workers at the time were women and that one out of three was

Chart 8. Employment Growth in Small and Large Businesses, All Sectors, 1982-1984 and 1984-1986*



*Small businesses employ less than 500 workers; large businesses employ 500 or more workers.

Source: Chicago Fed Letter, as reported in *Flexible Employment, Contingent Work: Implications for Workers' Benefits*.

between 16 and 24 years old. Blacks were overrepresented in the temporary help supply workforce, constituting 20 percent of the temporary workforce, compared with their 10 percent of the workforce across all industries. Fifty-two percent of temporary help service workers were employed in technical, sales, and administrative support occupations, mostly in clerical jobs.

Employee leasing is described in the report as a spin-off of the temporary help industry. In this case, a leasing company performs the hiring, firing, and salary review functions normally performed by an employer. Employee leasing is more likely to occur in small firms because of tax law provisions that encourage small businesses to transfer employees to external employers. The most recent estimate of the size of the leased employee workforce in the United States was about 75,000 workers.

Direct Company Hires of Temporary Workers. The study notes that the number of temporary workers hired directly by employers (rather than through temporary help supply agencies) is difficult to determine because employers are not required to provide this information about their workers. Most likely, however, direct-hire temporary workers are far more numerous than those employed by the temporary help industry. A Bureau of National Affairs survey of 442 firms indicated that 90 percent of the firms surveyed use short-term hires.

Self-Employment. The role of self-employment in the United States is one indication of the structural shifts in the economy over the past two decades. About 8.6 percent of U.S. workers are self-employed. Relative to total employment, self-employment declined steadily between 1950 and 1970, stabilized in the 1970s, and started growing again during the 1980s—the result of a sharp rise in self-employment in the service division of the service sector.

Self-employed independent contractors are an important source of high-skilled professional workers for industries needing short-term specialized services. Independent contractors are prevalent in electronics, chemicals, and business services and among a set of professional occupations including graphic design, engineering, technical writing, systems analysis and programming, and accounting.

Self-employment comes in several forms: unincorporated and incorprated full-time employement (sole proprietors with no employees), and side businesses (typically unincorporated part-time employment). Unincorporated full-time employment is the dominant form of self-employment, but incorporated full-time employment and side businesses have been growing the fastest in recent years.

Self-employed workers are overwhelmingly white and male. In 1988, 93 percent of all self-employed people in the United States were white, and 68.8 percent were men.

Contingent Work and Benefits

After examining the impacts of projected changes in labor supply on contingent employment and describing flexible employment arrangements in the retail, business services, and health services industries, the study examined the implications of flexible employment and contingent work on workers' benefits—training and health care coverage, specifically.

Regarding the training of contingent workers, the report points out that firms that emphasize training for their workers generally do not discriminate among classes of workers (contingent versus noncontingent), but rather appear to emphasize broad and generalized training for all their workers.

In investigating health benefits for contingent versus "regular" workers, the study found that a lack of benefit coverage by small firms probably plays a far more significant role in explaining the lack of health benefit coverage in the U.S. population than does "contingent work."

American and Japanese Workforce Quality

A publication summarizing the proceedings of a symposium on workforce quality, attended by Japanese and U.S. officials, describes the role of government in human resource development in Japan, reviews methods for assessing and measuring the skill levels of Japanese workers, and highlights ways to apply Japanese worker preparation practices to the United States.[5]

The symposium was an outgrowth of an effort to identify and address impediments to trade and balance of payments adjustment between the United States and Japan. The goal of the U.S.-Japan Structural Impediments Initiative was to contribute to the reduction of payments imbalances.

In support of the initiative, a joint interagency working group was established and discussions were held among delegates of the two countries. These discussions not only focused on specific trade barriers, but also considered broader structural elements in each country that could contribute to trade imbalances. The United States identified six structural problems in the Japanese economy: savings and investment patterns; land policy; the distribution system; exclusionary business practices; interfirm relationships; and pricing mechanisms. Japan identified structural problems in the United States which included savings and investment patterns; corporate behavior; government regulation; research and development; export promotion; and education and training.

In the working group's report,[6] the United States made a number of commitments to take actions regarding education and training, as well as in the five other areas. One result of these commitments was the joint Department of Labor/Japanese Ministry of Labor-initiated series of activities to address the problem of workforce training and education in the United States. Among the activities, in November 1990, the two agencies cohosted the symposium "Workforce Quality:

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[5] *Workforce Quality: Perspectives from the U.S. and Japan, International Symposium Report* (Washington, D.C.: U.S. Department of Labor, 1991).

[6] *Joint Report of the U.S.-Japan Working Group on the Structural Impediments Initiative*, June 1990.

Table 9. Temporary Help Employment, 1970-1988

Year	Number of Average Daily Employees (Thousands)	Percent Change From Previous Year	Temporary Help Jobs as a Percent of Total Employment[a]
1988[b]	1,015,800	8.2	0.96
1987	939,200	16.4	0.92
1986	806,900	13.9	0.81
1985	708,200	13.8	0.73
1984	622,400	31.9	0.66
1983	471,800	16.0	0.52
1982	406,700	1.3	0.45
1981	401,400	-3.5	0.44
1980	416,100	-4.7	0.46
1979	436,400	25.3	0.49
1978	348,200	18.6	0.40
1977	293,700	25.9	0.36
1976	233,300	25.0	0.29
1975	186,600	-25.5	0.24
1974	250,600	23.0	0.32
1973	203,700	23.8	0.27
1972	164,600	9.3	0.22
1971	150,600	-18.3	0.21
1970	184,400	—	0.26

[a] Represents average daily U.S. nonagricultural employment.

[b] Bureau of Labor Statistics, preliminary year-end average.

Source: Department of Commerce, Census Bureau, County Business Patterns; and Department of Labor, Bureau of Labor Statistics, as reported in *Flexible Employment, Contingent Work: Implications for Workers' Benefits.*

Perspectives from the U.S. and Japan" in Washington, D.C. The symposium examined successful Japanese practices for preparing its workforce for a technologically advanced workplace and explored the applicability of these practices in the United States. Over 200 American and Japanese business, government, and labor representatives attended the symposium.

In a session on the role of the Japanese government in human resource development, it was noted that coordinated labor and educational policies supply more than one million new Japanese workers to the economy each year. Japanese delegates explained that their country's system of human resource development, which has played a critical part in its economic success, is a joint effort. Symposium members discussed the strong role played by Japan's central government in directing and supporting workforce preparation. For example, the Human Resource Development Promotion Law defines much of the framework for human resource development in Japan. Based on the law, new plans are formulated every five years by a council with members representing business, employees, academia, and the government. The three key pillars of the Japanese system that promote this development are:

The Private Sector. The private sector takes specific, systematic measures to promote human resource development among workers;

Public Vocational Training. Public vocational training is conducted by both the National and Prefectural Governments, especially for dislocated workers, those who are changing jobs, new graduates, disabled workers, and those in small businesses who would not otherwise have adequate opportunities to obtain such training.

Voluntary Human Resource Development Efforts. Voluntary human resource development efforts are promoted among workers themselves, in conjunction with government-sponsored trade skill testing and assessment of vacational abilities.

Another session focused on the role of Japanese private sector employers to ensure the development and maintenance of a skilled workforce. It was noted that Japanese employers support the principle of lifelong learning and integrate education and training into the job throughout an employee's career. Participants described ways to develop skills through on-the-job training and through the provision of incentives to both management and labor for employee skill development.

In a session on assessing and measuring worker skill levels, it was noted that large Japanese companies are very active in developing and maintaining the skill levels of their employees. Thus, it is important to have the mechanisms that evaluate the skills of individual workers. Japan's Trade Skill Test System is central to this effort, and is often used as a model or standard of in-house testing programs. The system covers 133 job types and is divided into different skill levels, from least to most advanced. Representatives from two Japanese companies described their in-house training and assessment programs.

The final session at the symposium addressed ways that Japanese practices may be applied in America. Among the issues discussed were the American emphasis on individualism versus the Japanese orientation toward groups and the American tendency to make quick business decisions versus the slower Japanese decision-making process, calling for group consensus. Both American and Japanese managers of U.S. branches of Japanese companies described the similarities and differences of the two cultures and gave examples of inegrating the best of both into the work environment.

Preparing Students for High-Performance Jobs

Schools must equip students with five competencies and a three-part foundation of skills and personal qualities to prepare them for solid job performance, according to the Secretary's Commission on Achieving Necessary Skills (SCANS). In its initial report focusing on how to prepare America's students and workers for today's high-skill workplace,[7] the Commission also identified the characteristics required to transform America's schools and workplaces into high-performance organizations.

Given its findings that more than half of the Nation's young people leave high school without the knowledge or foundation required to find and hold a good job and that good jobs will increasingly depend on people who can put knowledge to work, the Commission drew three major conclusions in its report: (1) all American high school students must develop a new set of competencies and foundation skills if they are to enjoy a productive, full, and satisfying life; (2) the qualities of high performance that today characterize the Nation's most competitive companies must become the standard for the vast majority of U.S. companies, large and small, local and global; and (3) the Nation's schools must be transformed into high-performance organizations in their own right.

The Five Competencies

The five competencies essential to effective, productive work are related to resources, interpersonal skills, information, systems, and technology.

Resources. The competent worker identifies, organizes, plans, and allocates four key resources: (1) time—selecting goal-relevant activities, ranking them, allocating time, and preparing and following schedules; (2) money—using or preparing budgets, making forecasts, keeping records, and making adjustments to meet objectives; (3) material and facilities—acquiring, storing, allocating, and using materials or space efficiently; (4) human resources—assessing skills, distributing work accordingly, evaluating performance, and providing feedback.

Interpersonal Skills. Productive workers work well with others. (1) They participate as a member of a team, contributing to group effort. (2) They teach others new skills. (3) They serve clients and customers, working to satisfy customers' expectations. (4) They exercise leadership, communicating ideas to justify positions, persuading and convincing others, and responsibly challenging existing procedures and policies. (5) They negotiate, working toward agreements involving an exchange of resources, and resolving divergent interests. (6) They work well with men and women from diverse backgrounds.

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[7] The Secretary's Commission on Achieving Necessary Skills, *What Work Requires of Schools: A SCANS Report for America 2000* (Washington, D.C.: U.S. Department of Labor, 1991).

Information. Effective workers know how to: (1) acquire and evaluate data, (2) organize and maintain files, (3) interpret and communicate information, and (4) use computers to process information.

Systems. Competitive workers understand complex interrelationships. That is, they: (1) understand how social, organizational, and technological systems work, operating effectively with them; (2) monitor and correct performance, distinguishing trends, predicting impacts on system operations, diagnosing deviations in systems' performance, and correcting malfunctions; and (3) improve or design systems, suggesting modifications to existing systems and developing new or alternative systems to improve performance.

Technology. High-performance workers can work with a variety of technologies. They can: (1) select technology, choosing procedures, equipment, or tools—including computers and related technology; (2) apply technology to specific tasks, while understanding the overall intent and proper procedures for set-up and operation of equipment; and (3) maintain and troubleshoot equipment, preventing, identifying, or solving problems with equipment—including computers and other technology.

The Three-Part Foundation

According to SCANS, "workplace know-how" is based on the five competencies and the following three-part foundation of basic skills, thinking skills, and personal qualities.

Basic Skills. The competent worker has mastery of the following five basic skills: (1) reading—locating, understanding, and interpreting written information in prose and in documents such as manuals, graphs, and schedules; (2) writing—communicating thoughts, ideas, information, and messages in writing, and creating documents such as letters, directions, manuals, reports, graphs, and flow charts; (3) arithmetic and mathematics—performing basic computations and approaching practical problems by choosing appropriately from a variety of mathematical techniques; (4) listening—receiving, attending to, interpreting, and responding to verbal messages and other cues; and (5) speaking—organizing ideas and communicating orally.

Thinking Skills. The high-performance worker is capable of: (1) creative thinking—generating new ideas; (2) decision making—specifying goals and constraints, generating alternatives, considering risks, and evaluating and choosing the best alternative; (3) seeing things in the mind's eye—organizing and processing symbols, pictures, graphs, objects, and other information; (4) knowing how to learn—using efficient learning techniques to acquire and apply new knowledge and skills; and (5) reasoning—discovering a rule or principle underlying the relationship between two or more objects and applying it when solving a problem.

Personal Qualities. Effective workers display the following personal qualities: (1) responsibility—exerting a high level of effort and persevering toward goal attainment; (2) self-esteem—believing in their own self-worth and maintaining a positive view of self; (3) sociability—demonstrating understanding, friendliness, adaptability, empathy, and politeness in group settings; (4) self-management—assessing self accurately, setting personal goals, monitoring progress, and exhibiting self-control; and (5) integrity and honesty—choosing ethical courses of action.

High-Performance Schools and Workplaces

In addition to identifying the personal competencies and skills required of workers, SCANS also looked at the characteristics of schools and workplaces, pinpointing the differences between those of today and those required to become high-performance models of the future. (See Figures 1 and 2, pages 52 and 53.)

For schools, an important approach to teaching is based on the findings of cognitive science. That is, the most effective way of learning skills is "in context," placing learning objectives within a real environment rather than insisting that students first learn in the abstract what they will be expected to apply.

In the new environment of high-performance workplaces, the Commission notes, work is problem-oriented, flexible, and organized in teams. The high-performance organization designs quality into the product development process itself, enabling workers to make on-the-spot decisions; it is committed to excellence, to product quality, and to customer service.[8]

LABOR MARKET STUDIES OF SPECIFIC GROUPS

The Employment and Training Administration continued to sponsor research throughout the reporting period which provided information about the labor

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[8] Additional information on the requirements of a successful workplace is provided in the Department-sponsored monograph, *America and the New Economy*, by the American Society for Training and Development. Also summarized in this chapter, the monograph describes competitive standards in the new global economy and analyzes organizational structures, economic life cycles, technologies, job designs, and skill requirements.

FIGURE 1

CHARACTERISTICS OF TODAY'S AND TOMORROW'S SCHOOLS

Schools of Today	Schools of Tomorrow
STRATEGY	
• Focus on development of basic skills • Testing separate from teaching	• Focus on development of thinking skills • Assessment integral to teaching
LEARNING ENVIRONMENT	
• Recitation and recall from short-term memory • Students work as individuals • Hierarchically sequenced: basics before higher order	• Students actively construct knowledge for themselves • Cooperative problem-solving • Skills learned in context of real problems
MANAGEMENT	
• Supervision by administration	• Learner-centered, teacher-directed
OUTCOME	
• Only some students learn to think	• All students learn to think

Source: *What Work Requires of Schools: A SCANS Report for America 2000*, U.S. Department of Labor, Employment and Training Administration, 1991.

market experiences of various groups, including displaced/dislocated workers, Hispanic men, the learning disabled, youth at risk of dropping out of high school, and the homeless.

Displaced Workers

Even during a period of rapid employment growth, from 1985 through 1989, 4.3 million people lost their jobs because of plant closings or employment cutbacks, according to an analysis of data compiled from a special survey as a supplement to the Current Population Survey.[9]

Interest in the experiences of displaced workers increased in the early 1980s, as back-to-back recessions resulted in a significant reduction in the number of jobs, particularly in manufacturing industries. In response to this situation, the Employment and Training Administration requested that the Department's Bureau of Labor Statistics design a survey of worker displacement to be conducted in January 1984, covering the preceding five years. Since the 1984 survey, four other similar surveys were conducted (in January 1986, 1988, 1990, and 1992). The report summarizes the displacement patterns during the 1980s and describes the employment situation of workers displaced during the 1985-1989 period.

Worker displacement is often associated with poor economic conditions. However, data indicate that, while more workers lost their jobs during the recessionary years in the early 1980s, significant numbers of displacements were not uncommon even during years of rapid economic growth.

The years 1985 through 1989 were the third through seventh years of continuous economic expansion in the United States. During the five-year period, total employment expanded by 11.7 million.[10] During the same period, however, 4.3 million workers who had been with their employers for at least three years lost their jobs because their plants or businesses closed or moved, their positions or shifts were abolished, or not enough work was available for them. The investigation revealed that 72 percent of these displaced workers were reemployed when surveyed in January 1990.

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[9] Diane E. Herz, *Displaced Workers, 1985-89* (Washington, D.C.: U.S. Department of Labor, Bureau of Statistics, 1991).

[10] Employment changes are for the period December 1984 through January 1990. That period coincided with the January 1990 displaced worker survey reference period.

FIGURE 2

CHARACTERISTICS OF TODAY'S AND TOMORROW'S WORKPLACES

Traditional Model	High-Performance Model
STRATEGY	
• Mass production	• Flexible production
• Long production runs	• Customized production
• Centralized control	• Decentralized control
PRODUCTION	
• Fixed automation	• Flexible automation
• End-of-line quality control	• On-line quality control
• Fragmentation of tasks	• Work teams, multiskilled workers
• Authority vested in supervisor	• Authority delegated to worker
HIRING AND HUMAN RESOURCES	
• Labor-management confrontation	• Labor-management cooperation
• Minimal qualifications accepted	• Screening for basic skills abilities
• Workers as a cost	• Workforce as an investment
JOB LADDERS	
• Internal labor market	• Limited internal labor market
• Advancement by seniority	• Advancement by certified skills
TRAINING	
• Minimal for production workers	• Training sessions for everyone
• Specialized for craft workers	• Broader training skills

Source: "Competing in the New International Economy." Washington, D.C.: Office of Technology Assessment, 1990, as reported in *What Work Requires of Schools: A SCANS Report for America 2000*, U.S. Department of Labor, Employment and Training Administration, 1991.

The 4.3 million displaced workers for the 1985-1989 period compared with 5.1 million displaced workers during an earlier survey period (1979-1983) that included the back-to-back recessions of 1980 and 1981-1982. Although fewer in number than the previous survey, the workers displaced in the late 1980s represented a wider range of industries than did those displaced by the recessions earlier in the decade.

Those with the largest losses in the manufacturing industries included electrical and electronic equipment (approximately 200,000 workers); nonelectrical machine industries (about 200,000 workers); transportation equipment, including auto manufacturing (about 215,000 workers); apparel (140,000 workers); and food processing (110,000 workers).

In the service industry, significant displacements occurred in retail, finance, insurance, and real estate, despite overall employment expansion. Part of the losses in the latter three areas was a result of financial trouble among banks and savings and loan institutions.

During the two recessions, nearly 50 percent of the displaced workers had lost factory jobs. During the 1985-1989 period, only 38 percent of the displacements were factory jobs, while displacements increased in the service-producing industries.

A review of the demographics of displacement during two five-year periods—1979-1983 and 1985-1989—shows that men were more likely to be displaced than women due to their concentration in the relatively volatile goods-producing industries. The 2.6 million men

Table 10. Number of Displaced Workers by Age, Sex, Race, and Hispanic Origin, 1979-1983 and 1985-1989

Characteristic	Displaced Workers[a] (Thousands)	
	1979-1983	1985-1989
Total		
Total, 20 years and over	5,091	4,326
20 to 24 years	342	129
25 to 54 years	3,809	3,410
25 to 34 years	1,692	1,199
35 to 44 years	1,218	1,338
45 to 54 years	900	873
55 to 64 years	748	623
65 years and over	191	163
Men, 20 years and over	3,328	2,619
Women, 20 years and over	1,763	1,707
White		
Total, 20 years and over	4,397	3,778
Men	2,913	2,311
Women	1,484	1,467
Black		
Total, 20 years and over	602	447
Men	358	242
Women	244	204
Hispanic[b]		
Total, 20 years and over	282	342
Men	189	222
Women	93	120

[a] Data refer to persons with tenure of three years or more who lost or left a job between January 1979 and 1984 or between January 1985 and 1990 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[b] The rate for Hispanic workers from 1979-1983 was calculated using an average employment figure for 1980-83, as 1979 data were not available.

Note: Detail for the above racial and Hispanic origin groups will not add to totals because data for the "other races" group are not presented, and Hispanics are included in both the white and black population groups.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

who were displaced between 1985 and 1989 accounted for 61 percent of all displacements (down slightly from 65 percent for the 1979-1983 period). The 1985-1989 survey showed a much greater concentration of displaced workers within the 35-to-44 age group than did the earlier survey. This pattern reflected the growing concentration of the labor force in this age interval (because of the aging of the baby-boom generation) rather than workers in this age group being targeted for dismissals.

About 3.8 million of the displaced workers during the 1985-1989 period were white (87 percent) and about 450,000 (10 percent) were black. Black workers were only slightly more likely than white workers to have been displaced between 1985 and 1989—a change from the 1979-1983 period, during which blacks were far more likely to lose their jobs. Hispanic workers continued to be overrepresented among the displaced. Table 10 shows the number of displaced workers by age, sex, race, and Hispanic origin for both the 1979-1983 period and the 1985-1989 period.

The analysis of survey data revealed that the proportion of displaced workers who held new jobs when surveyed in January 1990 was 72 percent, well above the 60 percent noted in January 1984 (following the 1979-1983 survey period). Increases in reemployment among displaced workers during the second half of the 1980s reflected both overall improvements in national economic conditions and the timing of individual survey periods.[11] The study also showed that the likelihood of finding a new job varied with industry. For example, 71 percent of displaced manufacturing employees were reemployed in January 1990, compared to 79 percent of displaced service workers. Workers who lost their jobs in the auto industry during the period had a relatively low reemployment rate of 62 percent.

The analysis of survey data also revealed that many workers who were displaced between 1985 and 1989 and later found new jobs were no longer working in the same industries from which they had been displaced. Six of every 10 workers displaced from the services industries, for example, were reemployed in new service industry jobs in January 1990, while only 43 percent of displaced durable goods manufacturing workers found new jobs in that sector.

The survey also revealed that four in every 10 workers who had lost full-time jobs during the 1985-1989 period and were again working full-time earned less on their new jobs than on their old ones. Also, about 74 percent of workers displaced between 1985 and 1989 had been covered by some form of group health insurance on their jobs (down slightly from the 78 percent during the 1979-1983 period). About one in four of those who had previously been covered were no longer covered by any group plan at the time of the January 1990 survey.[12]

Wages of Hispanic Men

From 1940 to 1980 the wage gap between Hispanic men and non-Hispanic men remained relatively constant, and by 1980 the average Hispanic male earned only 71 percent as much as the typical non-Hispanic white male, according to two studies of the labor market wages of Hispanic men.[13]

The studies focused on: (1) major trends in Hispanic and non-Hispanic male wage ratios; (2) differences in educational attainment for Hispanic and non-Hispanic men; (3) the changing demographics of the Hispanic population; (4) the assimilation of Hispanic immigrants into the American labor market; and (5) a statistical analysis of the determinants of Hispanic male wages.

Hispanic Wages

An analysis of data from each decennial census conducted between 1940 and 1980 indicated that the wage gap between Hispanic and non-Hispanic men was relatively constant throughout the 40-year period. The typical Hispanic male worker in 1940 earned about two-thirds as much as his non-Hispanic counterpart. By 1980, the average Hispanic male worker earned 71 percent as much as white non-Hispanic male workers.

Among the major Hispanic subgroups, Mexican men have experienced the greatest earnings gap. In 1940, for example, Mexican men earned only 54 percent of the earnings of white men. However, the wage gap of Mexican men was reduced to 68 percent by 1950 (about the same ratio as prevailed in 1980).

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[11] Because of movements in the business cycle, a larger proportion of the displacements during the 1979-1983 period than during the 1985-1989 period had occurred in the two years immediately preceding the respective survey. Thus, those displaced earlier in the decade had less time, on average, before the survey date to find a job than did those displaced later.

[12] Excluding Medicaid and Medicare.

[13] James P. Smith, *Hispanics and the American Dream: An Analysis of Hispanic Male Labor Market Wages: 1940-1980* and *The Emerging Hispanic Underclass* (Santa Monica, Calif.: RAND, 1990).

Table 11. Minority Male Wages as a Percent of White Male Wages 1940-1980

Minority Group	Year				
	1940	1950	1960	1970	1980
All Hispanics	66.8	77.0	71.7	73.7	70.7
Mexicans	53.6	68.3	70.2	70.1	68.0
Puerto Ricans	89.8	70.6	61.0	66.7	66.1
Cubans	n.a.	n.a.	n.a.	75.6	82.8
Other Hispanics	84.9	94.3	93.0	82.7	77.6
Blacks	43.3	55.2	57.5	64.4	72.6
Blacks (as a % of Hispanics)	64.8	71.7	81.7	87.4	103.0

According to the studies, between 1940 and 1980, there was a significant reduction in the ranks of poor Hispanic working men as the Hispanic middle class grew rapidly. By 1970, for example, only one in six Hispanic men had wages below the poverty threshold, compared to more than one in two 30 years earlier. Also, Mexican male poverty rates fell to one in five by 1970 from two in every three in 1940.

As was the case for white males, the gains in reducing Hispanic poverty ended in 1970. However, the subsequent deterioration was much more severe among male Hispanic workers than for white male workers. Between 1970 and 1980, the fraction of poor Hispanic working men grew by more than 40 percent—twice the increase in white male poverty during the decade. Table 11 presents minority male wages as a percent of white male wages for 1940-1980.

Educational Differences

In attempting to determine some of the reasons for the difference in earnings ratios between Hispanic and white men, the studies investigated trends in educational differences between the two groups. These trends are important because schooling is strongly correlated with wages. The studies concluded that Hispanic male workers have a comparative disadvantage because of their educational achievements when compared to white male workers.

In 1940, the typical Hispanic male worker achieved 6.35 years of schooling—3.4 years fewer than that of working white men. With each subsequent decade, the education levels of Hispanic workers improved, averaging almost one additional year of education per decade. By 1980, Hispanic male workers, on average, had 10.16 years of schooling, about the level achieved by white men 30 years earlier. Because educational gains for Hispanic men were more rapid over the period than those of white men, their educational deficit was reduced to 2.81 years by 1980. Table 12 presents data on average male educational levels, by race and Hispanic origin, and by years of school completed.

Immigration

During the last two decades, a new wave of Hispanic immigrants has transformed the demography of the Hispanic population. Millions of legal and illegal Hispanic immigrants have entered the United States in numbers that rival European immigrant waves early in this century. The Hispanic population is growing far more rapidly than the total U.S. population. While Hispanics represent about eight percent of the total population, they account for 27 percent of the total 38 million increase in the U.S. population since 1970.

The percent increase in the U.S. Mexican population exceeded the overall Hispanic rate, and rose from 50 percent of the Hispanic population in 1970 to 62 percent in 1988. The 1980s saw increases in immigration from Central and South America, and decreases in the relative numbers of immigrants from Puerto Rico and Cuba. Mexicans tend to work in the agricultural fields of California and Texas in significantly lower-paying jobs than their Puerto Rican and Cuban counterparts, who have settled primarily in Miami and New York—urban areas where wages are typically higher.

A distinguishing characteristic of the Hispanic

Table 12. Average Years of School Completed by Males by Race and Hispanic Origin 1940-1980

Calendar Year	White	Black	Hispanic	Mexican	Puerto Rican	Cuban	Other Hispanic
1980......	12.97	11.69	10.16	9.49	10.25	11.99	11.56
1970......	11.87	9.87	9.46	8.57	8.94	10.87	10.84
1960......	10.94	8.17	8.06	7.59	7.86	n.a.	10.54
1950......	10.16	6.78	7.08	6.00	7.77	n.a.	8.78
1940......	9.74	5.93	6.35	5.19	8.48	n.a.	7.90

population is the large proportion of individuals who are foreign-born—47 percent of all Hispanic working men in 1988. Studies point out that those born abroad face greater labor market obstacles than those born in the United States. Hispanic male immigrant earnings are typically lowest for the most recent arrivals and highest for those who came long ago. The studies also note that not all male Hispanic immigrants who came at the same time do equally well in the U.S. labor market. Analysis suggests that the longer immigrants worked before coming to the United States and the more schooling received abroad, the lower their initial U.S. wages.

Multiple Factors

Finally, the research focused on estimating how much of the differentials in wages among Hispanic men was due to ethnicity, place of residence, schooling, and time since immigration. The research was based on a statistical analysis of male weekly wages in the 1940, 1960, 1970, and 1980 decennial U.S. censuses. Models were developed with variables for each of the following six categories: ethnicity, state of residence, years of market experience, location (urban or rural), education, and immigration status.

Help for Dislocated Workers

A study of dislocated worker programs identified and described 10 quality JTPA Title III projects considered exemplary in five categories: (1) services to women workers; (2) tailored training; (3) linkages to Trade Adjustment Assistance and Unemployment Insurance programs; (4) labor-management cooperation; and (5) early intervention/advance notification.[14] The study examined the 10 programs in the early months of 1989, prior to the implementation of the Economic Dislocation and Worker Adjustment Assistance Act.

Researchers developed information about the exemplary programs from State Title III liaisons, local JTPA administrators, project directors, service coordinators, monitoring/evaluation specialists, project-related documents, and on-site observation. Two projects were selected in each of the five categories to be presented as case studies.

The key features of the projects presented were flexibility in program design and implementation, quality of staff, coordination and linkages, early intervention, and labor-management cooperation. The various projects provided services for different kinds of workers. These included manufacturing workers who were about to be laid off from their jobs, dislocated farmworkers, and women.

Each case study description includes: (1) an overview of State legislation and regulations pertaining to JTPA Title III operation and funding; (2) information about State-level administration and monitoring; (3) details about local economic and employment conditions and how projects operate at the local level; (4) a description of project planning and start-up activities; (5) a discussion of project implementation; (6) information about project monitoring and assessment; and (7) a summary of project outcomes.

Services provided to participants in the case studies included customized classroom training; skill training; job clubs; job-search assistance; on-the-job training; placement assistance; basic education instruction in English-as-a-second-language and for the GED degree; and support services, including transportation, housing assistance, crisis intervention, substance abuse

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[14] *What Works for Dislocated Workers* (Hyattsville, Md.: Sociometrics, Inc., 1991).

Exemplary Dislocated Worker Projects

Services to Women Workers

Preparation, Recruitment, Employment Programs, PREP, Inc., Columbus, Ohio
Upper Rio Grande Private Industry Council Garment Industry Project, El Paso, Texas

Tailored Training

Louisiana Dislocated Worker Vocational-Technical Training Program, State of Louisiana
Kansas Rural Employment Assistance Program, State of Kansas

Linkages with UI/TAA

Dislocated Worker/Trade Act Program, Virginia Employment Commission, State of Virginia
Vermont Department of Employment and Training, The Goodyear Plant Closing, Windsor, Vermont

Labor-Management Cooperation

Steelworkers Reemployment Challenge, Campbell, Ohio
The Keith Clark Emergency Assistance Program, Pittsfield, Massachusetts

Early Intervention/Advance Notification

J.I. Case Dislocated Worker Project, Terre Haute, Indiana
The Gates Corporation Rapid Response Team Project, Denver, Colorado

counseling, relocation services, support allowances, day care, tools, and books.

The information in the report and in the case studies is useful for program operators and planners. A listing of the specific case studies, by category, is presented in the accompanying box.

Serving the Learning Disabled

In recent years, the Administration and the Congress have become increasingly concerned about the employment problems of individuals who are functionally illiterate—or deficient in basic skills. A related concern of policymakers and program operators is that a substantial number of functionally illiterate or basic skills deficient individuals may, in fact, be learning disabled.

Between 15-23 percent of all JTPA Title II-A terminees may have learning disabilities, according to a study of the learning disabled in training and employment programs.[15] The term "learning disability," as defined in the study, describes a variety of problems in acquiring, storing, and/or retrieving information.

If a substantial proportion of persons in JTPA and other training and employment programs who have been identified as functionally illiterate are learning disabled, it may be necessary to reconsider programmatic approaches to assessment and training.

The study estimated the number of training and employment program participants who might be learning disabled. It did this by extsapolating information from what is known about persons in the general population who are functionally illiterate, the learning disabled population, and persons enrolled in employment and training programs.

Chart 9 illustrates how the various populations examined in the study (the learning disabled, the functionally illiterate, and the economically disadvantaged) overlap. The shaded area represents those individuals who are learning disabled and functionally illiterate and are eligible for training and employment programs.

Information about ways to identify and instruct adults with learning disabilities is provided in the report, as are recommendations for short- and long-term initiatives that can help to ensure proper services for learning disabled people.

Identifying and Serving Learning Disabled Adults

The report describes methods used to identify learning disabled adults and ways to provide basic skills remediation and occupational skills training for this group.

Several formal and informal instruments may be used to quickly determine if an individual has a learning disability. These include a variety of checklists, paper and pencil tests, and comprehensive batteries.

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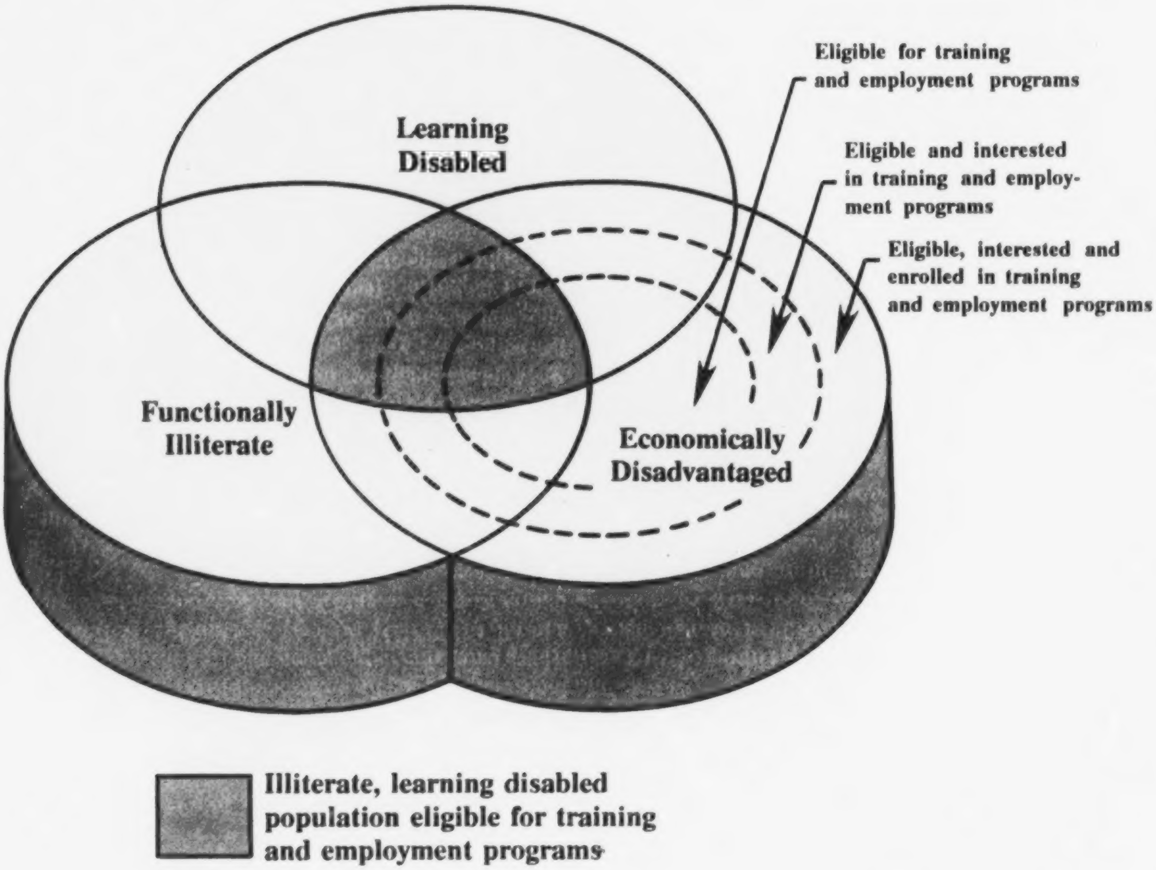
[15] Demetra Nightingale, Regina Yudd, Stacey Anderson, and Burt Barnow, *The Learning Disabled in Employment and Training Programs* (Washington, D.C.: The Urban Institute, 1991).

Chart 9. Representation of Population Overlap


Learning Disabled
Functionally Illiterate
Economically Disadvantaged
Eligible for training and employment programs
Eligible and interested in training and employment programs
Eligible, interested and enrolled in training and employment programs
▨ Illiterate, learning disabled population eligible for training and employment programs

Source: *The Learning Disabled in Employment and Training Programs.*

In addressing basic skills remediation and occupational training for people with learning disabilities, the study points out that while there are specific methods for basic skills remediation (especially for the remediation of reading), there are no specific methods for providing occupational skills training for learning disabled persons. Nevertheless, the report discusses some useful instructional guidelines that have been developed for teaching learning disabled students, including compensatory strategies to cope with disabilities. The experiences of several JTPA administrators are incorporated in this section of the report. For the most part, the researchers found that JTPA programs do not routinely assess clients for learning disabilities, although administrators recognize that many of their participants may be learning disabled.

In the area of basic skills remediation, the report states that if a disability is mild, basic skills can be taught using standard classroom approaches. However, if the disability is severe, instructional approaches should be modified. Special approaches include: (1) understanding a student's learning style; (2) combining basic skills instruction with functional applications; and (3) modifying teaching methods to accommodate the specific disability.

In addition to needing specific occupational training, people with learning disabilities may need preemployment, world-of-work, and job search training to help them overcome low self-esteem and other obstacles caused by the disability. The report also points out that learning disabled adults can be appropriate candidates for a wide range of occupations—there need be no difference in the kinds of occupations for which they receive training versus that for individuals with no learning disabilities. However, training programs for learning disabled students should: (1) incorporate instructional strategies similar to those used for remedial basic education; and (2) focus on helping the student to strengthen his/her own strategies to compensate for the learning disability.

The report includes an overview of the cost implications of providing basic skills remediation and occupational training to learning disabled individuals, noting that the costs are potentially high—higher than those for serving the general population. However, researchers indicate that the costs appear to span a broad range, from no direct cost (e.g., referral of all learning disabled clients to other agencies at no cost to the referring agency, or using unpaid tutors or volunteers as mentors and coaches) to low cost (e.g., spending $2 to $7 per case to conduct a quick assessment of learning disabilities, or modifying instructional materials for use in job clubs or preemployment classes) to high cost (e.g., spending $1,000 for intensive assessment of learning disabilities, or funding special training programs such as supported work experience for learning disabled clients).

Recommendations

The report includes three recommendations for local programs operated and managed to improve training and employment services for the learning disabled.

Incorporate Appropriate Instructional Strategies into Job Search Training and Preemployability Components. Since over half of the JTPA adults who are reading below the seventh grade level may be learning disabled, local programs should consider integrating some of the simpler instructional techniques into their group instruction components, relying less on written materials and manuals and using alternative methods such as videos and hands-on application. They should also consider having smaller groups of participants, allowing more individual instruction.

Combine Basic Skills Instruction with Functional Occupational Skills Instruction. Because a large portion of the JTPA population with reading problems may be learning disabled, program operators should consider having training programs that integrate basic education with applied functional skill development. This approach is feasible in a traditional classroom setting, a vocational training setting, or a workplace setting.

Avoid Arbitrary Referral of Persons with Low Reading Skills to Possibly Inappropriate Remediation Programs. Individuals who read below the seventh grade level should not be referred by JTPA to remedial education programs without a prior assessment of whether they are learning disabled. If they are, JTPA staff should refer them to appropriate community programs equipped to serve learning disabled adults.

The report includes an extensive bibliography and appendices on studies related to learning disabilities and resources for providing instruction to the target group.

The High School Redirection Alternative School

Young people who drop out of school face serious problems in the labor market. In fact, about 60 percent of out-of-school, noncollege, long-term unemployed youth are high school dropouts.

Over the past several years, alternative schools have emerged as a promising model for addressing the special needs of dropout-prone youth. Such schools differ from regular high schools in their small size, informal atmosphere, and the degree of personal attention students receive. High School Redirection in Brooklyn, New York, is one such school. Through several innovative programs, it helps young people who previously dropped out, or are about to drop out, to complete their high school education.

A Guide to High School Redirection[16] provides information about the school's philosophy, student population, admissions policies, staff, administrative structure, budget, operations, and discipline. The report describes two of the school's innovative approaches for meeting the needs of dropout-prone youth—the Civil Service Preparation family group and the Strategies and Techniques for Advancement in Reading program. It also provides information on efforts to replicate the successes of High School Redirection in seven sites, where schools serve as a bridge between the educational and job training systems and provide a common service deliverer to which both systems can refer youth.

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[16] Elaine Ciccone, *A Guide to High School Redirection* (Brooklyn, N.Y.: High School Redirection, 1991).

The basic philosophy of High School Redirection is a key factor in its success. The school is committed to work with any student who drops out of school for *any* reason. Each student is respected as a learner, and is entitled to learn how to succeed or fail without fear of ridicule. Students are expected to take on increasing responsibility for themselves with the knowledge that there is always a safety net available to them.

Student Population

When the report was prepared in the early 1990s, High School Redirection served 475 students, half male and half female. Eighty percent of the students were black, and the remaining 20 percent Hispanic. Almost one-fourth of the students were parents and 30 percent read at less than a sixth-grade level. Over half received free lunches. All of the students had experienced serious problems in their previous schools, with the majority having actually dropped out before coming to High School Redirection. Many of the graduates were the first in their families to graduate from high school. All students were self-selected; enrollment was not mandatory.

Admissions

High School Redirection generally accepts every student who completes orientation. Students begin the process of admission by coming in on a specific day during two periods each year (between September 1 and October 31 and between January 15 and March 31). Students under 18 are required to appear with a parent, and those over 18 are encouraged to bring a parent. They then attend a three-day orientation session prior to beginning school. During the orientation, counseling staff members discuss such topics as credit accumulation and personal responsibility. Students are tested for placement in both reading and math, unofficial transcripts are examined for class placement, and individual needs are assessed. Only those students who complete orientation are admitted, with test scores forming no part of admission decisions.

For the most part, young people find out about High School Redirection through friends or relatives. Some students are special education students from other schools or potential dropouts referred by high school guidance counselors. A number are suspension students expelled by the superintendent for serious infractions. Others are troubled students referred by agencies, such as Advocates for Children, that work with High School Redirection to admit their troubled students.

Staff and Administrative Structure

High School Redirection's 24 teachers are divided into sets serving three groups of students—the Strategies and Techniques for Advancement in Reading (STAR) group, a college-bound group, and a "regular" school group. They are supported by three counselors, one for the STAR program and two for the regular school, with one of the three serving also as an advisor to the college-bound. The school is administered by a principal and assistant principal. In addition, the school has one social worker assigned to day care, one librarian, and several support personnel.

Operation

Students receive the same diploma as other New York City students and must meet the same State Regents Competency Test standards for graduation, covering reading, writing, math, social studies, and science. The school uses a point system for determining appropriate credits for graduation. This system gives a student points, which are translated into credit, for each day of satisfactory performance in class or completing assignments for extra credit. The school year is divided into four cycles of nine to ten weeks each instead of the traditional two semesters. This approach allows students four "fresh starts" each year to recover in academic standing or attendance if problems arise in a particular cycle.

Discipline

The report points out that even though the students have a history of dropping out, underachieving, suspensions, and learning disabilities, discipline is not a problem. The positive school climate is created because of student commitment and strict policies regarding confrontations and school disruption.

CSP Group

A key element of the school is the Civil Service Preparation (CSP) group. (Preparation for Civil Service employment is not an objective of the CSP group—the name remains from a previous program). Part family, part academic class, and part counseling group, the CSP group occupies a central part of the school day. The teacher to whom the student is assigned at intake becomes, with some exceptions, the one with whom the student will spend his or her career at the school. The CSP group is an official class that becomes a surrogate home. In addition to occupational education, the CSP group curriculum includes parenting skills, values clarification, job readiness, career exploration, exploration of personal and societal values, personal resource management, and citizenship. CSP teachers have some flexibility in class content and may also choose to conduct special classes ranging from Scholastic Aptitude Test preparation to the exploration of the principles of classical philosophy. Three days each week are devoted to CSP occupational education curriculum, and the remaining time is spent on special lessons.

STAR Program

Another important element in the school's dropout prevention effort is the STAR program. Because research suggests that a reading level two or more years behind grade level is often a reason for dropping out, the STAR program helps to ensure that students, many of whom have already dropped out of one high school, do not drop out of the alternative school. A typical student spends five periods per day in the STAR class. In addition to STAR classes, either a teacher or a paraprofessional works with students every day on special reading tasks such as decoding drills, comprehension improvement, or writing. STAR is also characterized by independent student work in reading and by a "buddy" system. The report's appendix presents details about STAR theory, curriculum, and sample lessons.

Another section of the appendix describes efforts to replicate the High School Redirection project in seven cities throughout the country. Department grants were awarded for demonstrations operated jointly by JTPA Service Delivery Areas and school districts in Cincinnati, Denver, Detroit, Los Angeles, Newark, Stockton, and Wichita. A description of the sites and a discussion of the role of the JTPA system and Private Industry Councils are included.

St. Louis Metropolitan Reemployment Project

Over the past decade, changes in the U.S. economy have resulted in a significant increase in worker dislocation. New technology, shifts in labor demand from the manufacturing to the service sector and from blue-collar to white-collar jobs, and plant closings have contributed to the problem of worker dislocation. JTPA Title III programs were established to assist workers who lose their jobs because of these changes by providing training and other services designed to reduce the duration of their unemployment and increase their wages when they become reemployed.

An evaluation of a JTPA Title III program for dislocated workers in the St. Louis area revealed that although participants earned less than a nonparticipant comparison group over the first four quarters following their initial claim for unemployment insurance, they earned significantly more than the comparison group over the following four quarters.[17] The study also revealed that participants who received a combination of program services, i.e., special services for dislocated workers and basic JTPA services, experienced the most positive impacts on their earnings during the first year after finishing the program.

In evaluating the St. Louis Metropolitan Reemployment Project, the researchers estimated the net impact of the program on participants' earnings, receipt of unemployment insurance benefits, and reemployment. In addition, they attempted to determine the impacts of various types of services, ranging from basic job search assistance to classroom and on-the-job training, and how these impacts vary over time.

The report presents background information about displaced workers and summarizes previous evaluations. It also discusses the St. Louis project's evaluation methodology, describes program services and characteristics of the study sample, reviews the evaluation model (including timeframes, outcome measures, and program impacts), and describes the impact of the program on participant earnings and unemployment insurance benefits.

Background

The report notes that surveys in 1984 and 1986 found that 5.1 million workers who had three or more years of tenure at their jobs had been displaced over the five-year period prior to each survey. A survey in 1988, however, presented a more positive picture, as the number of displaced workers in the five-year period prior to the survey had declined to 4.6 million and their rate of reemployment at the time of the survey had risen to 71 percent, four percentage points higher than in 1986 and 11 points higher than in 1984.[18]

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[17] Jacob M. Benus and Rhonda M. Byrnes, *The St. Louis Metropolitan Re-Employment Evaluation Project: An Impact Evaluation* (Cambridge, Mass.: Abt Associates, Inc., 1991).

In discussing the project's background, the report provides an overview of basic Title III provisions, operations, and funds allocation, and presents information about the Economic Dislocation and Worker Adjustment Assistance legislation and the Worker Adjustment and Retraining Notification (WARN) requirements. It also highlights findings from previous evaluations of dislocated worker programs.[19] Similarities and differences between these evaluations and that of the St. Louis project are noted.

Study Design

The study design adopted a nonexperimental comparison sample approach in which the researchers analyzed a group of 1,195 clients served by the St. Louis reemployment project in PY 1987 (July 1, 1987, to June 30, 1988) and a selected comparison group of 1,114 St. Louis area residents who filed unemployment insurance claims over a comparable period but who did not receive program services during the year. The two groups were quite comparable in their characteristics.

An important feature of the evaluation methodology was the inclusion of several timeframes in the investigation, which allowed researchers to look at program impacts during several important periods. Researchers measured the impact of the program on dislocated workers: (1) at the point when sample members filed their initial unemployment insurance claim; (2) at a point following their completion of program activities; and (3) at the point at which they began receiving earnings after layoff. These are discussed in more detail in the section on the evaluation model.

The St. Louis research site was selected based on criteria which included: *program environment*—local economic conditions were not especially favorable or unfavorable, as programs located in areas with unemployment rates which deviated more than two percentage points from the national average were not considered; *size*—the program was large enough to provide an adequate number of treatment group members (at least 1,000 program participants during the year); *participant diversity*—participants came from many employers and occupations; *Trade Adjustment Assistance program exclusion*—participants were not engaged in programs funded through the TAA program; and *program design*—the program encouraged training, targeted specific plants (as opposed to the generally eligible population), and provided a rapid response to layoffs.

In addition to meeting these criteria, the site was selected because it was a well-established one, at which program operations were stabilized and thus tended not to include short-term discretionary projects. The St. Louis area traditionally had been a leader in auto manufacturing, the aerospace industry, and other transportation equipment manufacturing industries. During the late 1970s and early 1980s, the area experienced a substantial shift in its economy, as manufacturing industry employment declined while employment in the service and high technology industries increased.

Program Services

Services provided in the project ranged from job search assistance and placement services to classroom skills training, on-the-job training, and remediation. Project staff assigned participants to different services based on a highly individualized approach. The researchers noted that for the most part, a majority of the participants received services that fell into several "tracks." Thirty-five percent of participants received some training.

The most frequently deployed service "track" was a combination of job search instruction and job placement assistance. Clients assigned to this track received a one-week comprehensive training course on job-seeking skills, followed by job referrals or leads, with "moral support" from case managers and job developers. About 30 percent of the program participants were engaged in this service track.

The second most commonly used service track, serving about 12 percent of the participants, was job placement services, which included job referrals or leads. This track was generally restricted to the most job-ready clients. It was also the least expensive strategy.

The third service track was classroom training combined with job placement services, which served about 10 percent of the participants. In this track, dislocated workers who were found to need either remediation or skills training were enrolled in the program's open-entry remediation program. At the completion of training, job developers assisted the participants in finding work.

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[18] This survey covered the five-year period from January 1983 to January 1988. See Diane E. Herz, "Worker Displacement in a Period of Rapid Job Expansion: 1983-1987," *Monthly Labor Review*, May 1990, pp. 21-33. For a summary of this *Monthly Labor Review* article, see the *Training and Employment Report of the Secretary of Labor* covering July 1988 to September 1990.

[19] These programs are the Downriver Program in the Detroit area; the Buffalo Worker Reemployment Demonstration in the Buffalo, New York area; the Texas Worker Adjustment Demonstration in several sites; and the New Jersey Unemployment Insurance Reemployment Demonstration, also in various sites.

The fourth service track consisted of job search instruction followed by classroom training. Seven percent of the participants followed this track. This approach was taken after participants, with their counselors' assistance, determined that further training was required following a period of unsuccessful job search.

About 18 percent of the participants were enrolled in on-the-job training combined with a variety of other components, and the remaining 22 percent pursued a variety of other service combinations that exhibited no clearly definable pattern.

The report describes the activities in each of the tracks as well as recruitment, intake, and assessment.

Characteristics of the Study Sample

As shown in Table 13, many of the characteristics of the clients who completed the St. Louis project were different from those of Title III terminees nationwide in Program Year 1987. St. Louis participants were more likely to be black, in prime working age, and have higher education levels than Title III clients.

Researchers reviewed the characteristics of the St. Louis program group with the comparison group of 1,114 individuals who were randomly selected from Missouri UI claims records in the five-county area served by the project and who filed UI claims between July 1986 and June 1988. The researchers found that the comparison group had a higher proportion of males and whites and was younger than the study group.

Evaluation Model

The researchers used three approaches in measuring overall program impacts on participants. These approaches were: (1) a claim-referenced approach; (2) a program-referenced approach; and (3) a reemployment-referenced approach.

Claim-Referenced Approach. The claim-referenced approach measured the labor market experiences of selected program participants after they first became aware of Title III services. For some, this awareness occurred around the time of their layoff, while for others it was when they initially applied for unemployment insurance benefits. The study defined the claim-referenced timeframe as beginning with the actual or approximate date when the participant made an initial unemployment insurance claim. This approach allowed the researchers to investigate the impact of the program from the first point at which program services took effect.

Table 13. Selected Characteristics of Title III Terminees from the St. Louis Metropolitan Reemployment Project (MRP) and from National Title III Programs, for PY 1987

Characteristic	MRP Title III Terminees	National Title III Terminees
Sex:		
Male	63%	62%
Female	37	38
Ethnicity:		
White	68	72
Black	31	17
Other	1	11
Age:		
Under 22	1	4
22-54 Years	93	88
Over 54 Years	6	8
Education:		
Less than 12 years	8	17
High school graduate	42	52
Some post-secondary	50	31
Unemployment Insurance Claimant:		
Yes	81	53
No	19	47

Source: MRP Annual Report (July 1, 1987, to June 30, 1988) and U.S. Department of Labor, Employment and Training Administration, "Summary of Title III Program Performance for Program Year 1987," memorandum (Washington, D.C., 1988).

Most of the previous evaluation studies of Title III programs followed this approach. The researchers point out, however, that its major drawback is that it does not take into account the fact that program participants' reemployment is often delayed when compared with nonparticipant comparison group members because participation in the program delays entry into new employment.

Program-Referenced Approach. In this approach, the researchers began their study of the impact of the program on participants when they completed the program, that is, the date after which they no longer received program services. This approach addresses the weaknesses of the claim-referenced approach by taking into consideration the spell of unemployment of participants during program participation.

Reemployment-Referenced Approach. Using this approach, the researchers began to observe the impact of the program on the participants once they were reemployed and began receiving earnings. The primary advantage of this approach over the other two is that it takes into account the likelihood that program participants and comparison group members would exhibit different employment patterns.

The researchers developed a program impact model that took into account the outcome measures (earnings, UI benefits receipt, or reemployment) and other factors which controlled for any preexisting differences between the treatment and comparison groups in characteristics (such as age, education, prior reported earnings, gender, and ethnicity). The model estimated the average effect of all program services on participants.

Program Impacts

Earnings. The researchers used the three timeframes (or approaches) described above to investigate the earnings patterns of both the program participant group and the control group. The result of the earnings pattern analyses suggested the following:

- Earnings of program participants were lower than those of comparison group members in the quarter immediately after the initial unemployment insurance claim (an average of $2,491 earned during the quarter by a participant group versus an average of $2,946 earned by a comparison group).
- It took about one year (from filing of the initial unemployment insurance claim) for the average quarterly earnings of a program participant to catch up with a comparison group member's quarterly earnings level (an average of $3,526 earned by the participant group members during the fourth quarter after filing an initial claim, compared with an average of $3,541 earned by the comparison group members).
- Even two years after their initial unemployment insurance claim, the cumulative earnings of program participants had not quite caught up with those of the comparison group (an average of $26,704 earned over the two-year period by the participant group versus an average of $27,627 earned by the comparison group).
- In the quarter immediately following program exit (the second timeframe), program participants earned slightly less than their comparison group counterparts (an average of $3,604 for the participant group versus an average of $3,658 for the comparison group).
- By the second quarter following their exit from the program, quarterly earnings levels for program participants exceeded quarterly earnings of the comparison group (an average of $3,914 versus an average of $3,525).
- Within a year following their program exit, participants' cumulative earnings exceeded cumulative comparison group earnings (an average of $15,698 for the participant group versus an average of $14,448 for the comparison group).
- Immediately following the reemployment of both the participant and control groups (the third timeframe), comparison group members earned more than program participants (an average of $4,357 for comparison group members versus an average of $3,604 for participants).
- By the third quarter following reemployment, program participants, on average, earned more than the comparison group (a quarterly average of $4,055 earned by the participant group versus an average of $3,672 earned during the same quarter by the comparison group).
- Within a year following reemployment, program participants' cumulative earnings exceeded cumulative comparison group earnings (an average of $15,698 for participants versus an average of $15,506 for comparison group members).

Impact on Unemployment Insurance Benefits Receipt and Time Employed. The researchers found that in the three quarters following initial claim, on average, UI benefits for the program participant group exceeded comparison group benefits. However, in the fourth through eighth quarters, the results were reversed. In order to account for differences in individual characteristics between the program participants and the comparison group, the researchers developed a multivariate analysis that controlled for these differences. The results of this analysis indicated that the longer a program participant spent in the program, the more he or she collected in unemployment insurance benefits. The results also indicated that the longer the elapsed time between UI claim and program entry, the higher the UI benefits received.

After investigating the impact of the program on participants during the first year after the filing of an initial UI claim, the researchers found that only participants who received on-the-job training services received fewer weeks of UI benefits than comparison group members. Participants who received all other categories of service received more weeks of UI benefits than the comparison group.

In particular, program participants who received classroom training combined with other services experienced approximately 12 more weeks of UI benefits than comparison group members. During the second year following initial UI claim, program participants from all service categories experienced fewer benefit weeks of UI than the comparison group. The researchers suggest that program participants may have been reemployed in more stable jobs than comparison group members.

Follow-up survey data were used to determine the impact of program services on the length of time that participants were not employed during the follow-up period. The researchers found that the group assigned to on-the-job training experienced the lowest proportion of time not employed during followup. Those assigned to classroom training experienced the largest proportion of time without employment. Participants in the remaining service categories experienced similar proportions of time without employment as members of the comparison group.

Job Training for the Homeless

Based on direct counts in shelters and soup kitchens, The Urban Institute estimated that more than one million persons in the United States were homeless at some time during 1987.

In response to the need for employment assistance for these individuals, the Stewart B. McKinney Homeless Assistance Act of 1987 authorized the Department to plan and implement the Job Training for the Homeless Demonstration Program. An interim evaluation of the first year of operations (October 1988-September 1989) of 32 local demonstration projects in 21 States indicated that, as a group, the projects exceeded planned levels of participants served, trained, and placed in jobs.[20]

The study also found that the "traditional" training model, which provides employability development followed by placement in unsubsidized employment, may not always be a realistic way of serving homeless people. Other approaches being adopted stress direct placement in jobs, reliance on subsidized (or supported) employment for clients with severe barriers, and incorporation of an extended stabilization, recovery, and support period.

The report provides an overview of the Job Training for the Homeless Demonstration Program and reviews the various sources of data used in the evaluation. It also describes the characteristics of program participants and their outcomes, and discusses program services and coordination efforts with other programs.

Finally, the report describes the prevalence of alcohol and drug abuse among a substantial minority of participants, and provides implications for further evaluation. An appendix lists the 32 demonstration projects and provides a brief overview of each project.

Program Overview

When Congress authorized the Job Training for the Homeless Demonstration Program, it stressed that its focus was to be on knowledge development for future policy decisions. Thus, the supporting goals of JTHDP are to:

- Gain information on how to provide effective employment and training services for homeless people to address the employment-related causes of their homelessness and to meet their job training needs; and
- Learn how States, local public agencies, private nonprofit organizations, and private businesses can develop effective systems of coordination to address the causes of homelessness and meet the needs of the homeless.

The job training-related services authorized under the Act include basic skills instruction, remedial education activities, basic literacy instruction, job search activities, job counseling, job preparatory training, and any other services authorized by JTPA Title II-A. The Department stressed the importance of five of these JTPA services: institutional skill training; on-the-job training; work experience; followup services; and supportive services.

Furthermore, it recommended case management—a process by which one or more staff members oversee the assessment and receipt of services by a homeless person during the entire time he or she is served by the project—as the preferred method for providing job training for the homeless.

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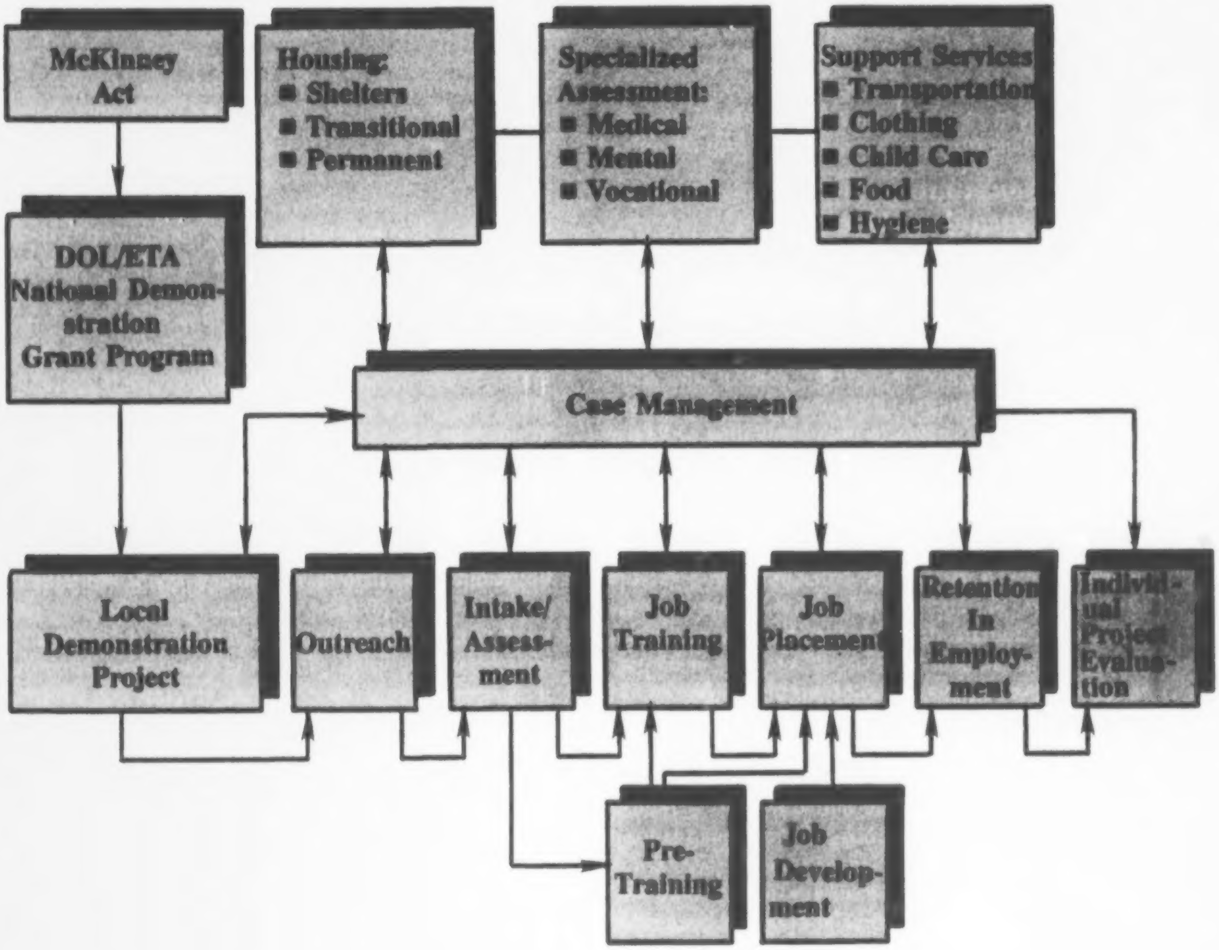
[20] Lawrence N. Bailis, Margaret Blasinsky, Stephanie Chesnutt, and Mark Tecco, *Job Training for the Homeless: Report on Demonstration's First Year* (Rockville, Md.: R.O.W. Sciences, Inc., 1991).

Recognizing that there would be major differences in the various demonstration efforts, the Department developed a generalized "logic model" to assist local project operators and individuals responsible for monitoring and evaluating project implementation and outcomes. Addressing participant flow and receipt of services, the model includes:

- A "traditional" sequence of employment and training services—outreach followed by intake/assessment, job training, job placement, and retention;
- A wide range of support services, including specialized assessment, housing, health care, transportation, and child care; and
- Case management to link employment and training services together.

See Chart 10 for a diagram of the logic model.

Chart 10. Local Job Training for the Homeless Demonstration Project Logic Model


McKinney Act
Housing:
■ Shelters
■ Transitional
■ Permanent
Specialized Assessment:
■ Medical
■ Mental
■ Vocational
Support Services
■ Transportation
■ Clothing
■ Child Care
■ Food
■ Hygiene
DOL/ETA National Demonstration Grant Program
Case Management
Local Demonstration Project
Outreach
Intake/ Assessment
Job Training
Job Placement
Retention In Employment
Individual Project Evaluation
Pre-Training
Job Development

Source: *Job Training for the Homeless: Report on Demonstration's First Year.*

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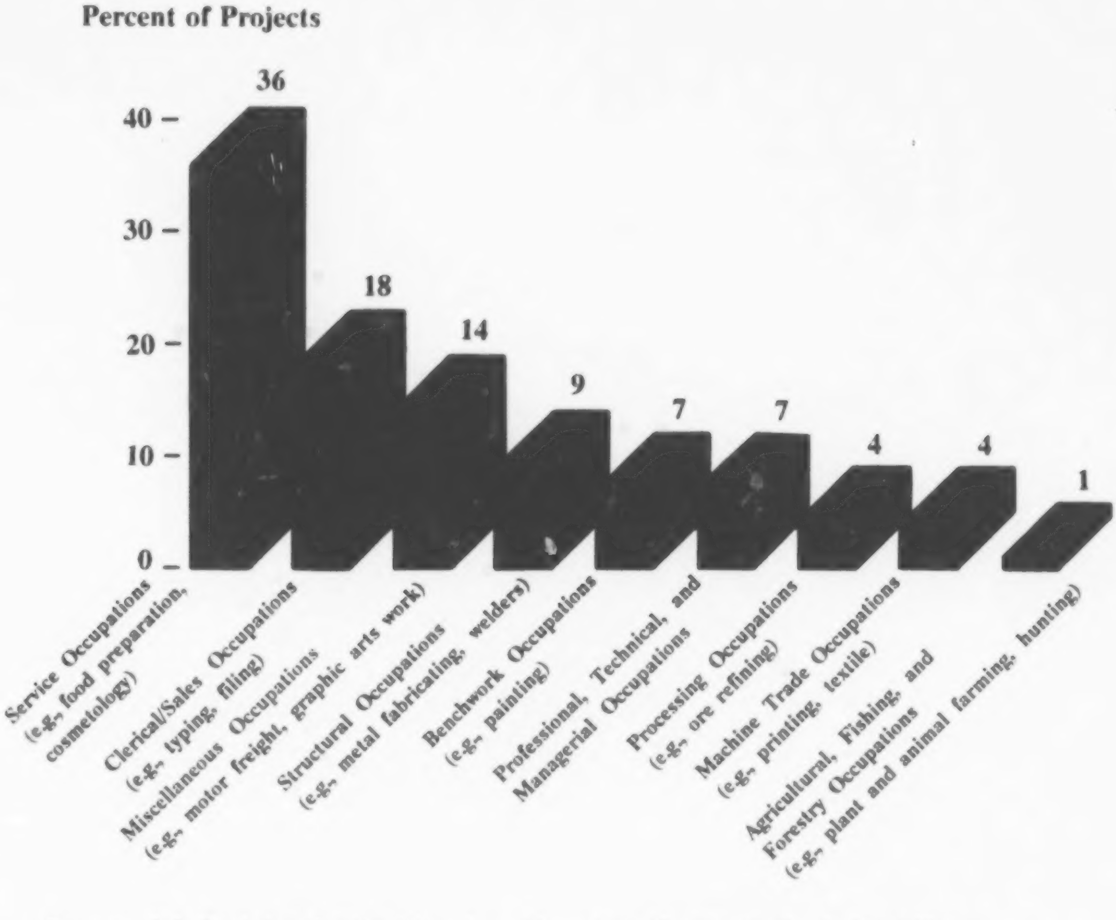
Program Outcomes

The evaluation revealed that about 7,400 homeless men, women, and children received services under the 32 JTHDP projects during the first year of operations. This figure is significantly more than the 5,100 homeless people the projects planned to serve. The number of participants ranged from as low as 16 in one project in Illinois to as many as 910 in a project in California, with the average project serving 224 participants. The grant amounts ranged from approximately $30,000 to $691,000.

Some 4,600 participants enrolled in training during the year, far exceeding the 3,050 expected to enter training. Furthermore, 2,435 participants were placed in jobs—about 20 percent more than planned. About 975 individuals, or 40 percent of those placed in jobs, were employed at the 13th week after placement. The average hourly wage at placement for projects reporting wages was $5.04, with the average wage increasing to $5.37 an hour for those achieving 13 weeks of employment.

Participants were placed in service-related occupations more than any other vocation, with 36 percent of participants so placed. Chart 11 shows the jobs obtained by program participants by employment category.

Chart 11. Jobs Obtained by Participants by Employment Categories



Source: *Job Training for the Homeless: Report on Demonstration's First Year.*

The researchers point out that given the wide variations in how the different projects defined "training" and the diversity with which the projects calculated the length of time during the program's first year, data on the average length of training are of limited use. According to the available data provided by 20 of the 32 projects, the median number of weeks in training was 7.5, and the average training costs were $1,708 per participant.

In addition, data submitted by 25 of the projects indicated that just under 2,000 of the homeless people served were placed in upgraded housing as a result of the Department's McKinney-funded services.

The JTHDP projects also reported a number of other positive outcomes. They include completion of high school or attainment of a GED degree; enrollment in a vocational school, college, or the Job Corps; completion of occupational or vocational training; obtaining work experience; participation in supported work experience; entrance into one or more chemical dependency, mental illness, or other treatment programs; obtaining Federal entitlements (Supplemental Security Income, Food Stamps, veterans' benefits, Medicaid, etc.); completion of self-esteem and other self-improvement training; obtaining shelter as a first step of program participation; upgraded housing; and reunited families that were separated due to homelessness.

Participant Characteristics

In announcing the availability of funds for JTHDP projects, the Department recognized the diversity of subgroups within the homeless population and noted that the demonstration program was intended to serve "the full spectrum of homeless people—not only the most job ready or those easiest to serve." Twenty-four of the projects were designed to serve all homeless people, while the remaining eight focused on one or more homeless population subgroups. These subgroups were: (1) the severely mentally ill (served by two grantees); (2) youth (served by one grantee); (3) adults (served by two grantees); (4) American Indians (served by one grantee); (5) severely mentally ill and single mothers (served by one grantee); and (6) recovering substance abusers (served by one grantee).

Sixty-two percent of the participants were male, and 38 percent were female. Fourteen percent of the participants were between the ages of 14 and 21. Of the adults served, 31 percent were between the ages of 22 and 29, and 52 percent were between the ages of 30 and 54. Eighty-four percent of the JTHDP participants were single, divorced, separated, or widowed.

The proportion of minority participants was high. Thirty-seven percent were black, 11 percent were Hispanic, three percent were American Indian, and less than one percent were Asian/Pacific Islanders. Forty-eight percent were white.

Sixteen percent of the participants were veterans. Forty-one percent of the participants had either a GED or high school diploma, while 16 percent had obtained some postsecondary education. Thirty-nine percent of the program participants had not completed high school.

Program Services

The report reviews four service components considered to be important to the effective operation of training and employment projects for the homeless. These are: case management, assessment, employment and training services, and postplacement services.

Case Management. Case management is a client-centered, goal-oriented process for assessing the need of an individual for particular services and assisting the client to obtain those services. JTHDP guidelines published in the *Federal Register* noted that the case management approach was a preferred method for providing job training for the homeless. Essentially, the case-management approach tries to ensure that homeless people receive the appropriate package of housing, employment, and supportive services (including services in the areas of physical or mental health and dependency on alcohol or other drugs) that is needed in order for these people to achieve economic independence and adequate housing. The report examines descriptions and analyses of case management contained in the final reports of the 32 JTHDP projects: (1) the basic elements of case management in the demonstration sites; (2) the characteristics of successful case management; and (3) the levels of case management services required.

Assessment. The JTHDP provided the first opportunity for researchers to undertake a systematic review of the assessment function as it pertains to homeless individuals. The report summarizes the lessons learned about assessment based on a review of the final first-year reports. This review indicated that two broad approaches to assessment were adopted by the projects:

- A basic approach that consisted primarily of relatively unstructured conversations between participants and intake workers/case managers; and
- An enhanced approach that involved use of sophisticated tests and assessment tools.

The enhanced approach was typically carried out by the JTHDP project (or subcontractor) responsible for intake or through a referral to community agencies.

Some projects offered the enhanced approach to all or most of the participants, and other projects used the enhanced assessment approach on an as-needed basis for special circumstances.

Forty-eight percent (or 15) of the projects used the basic approach to assessment. Reports from 11 projects indicated that their programs used assessment methods which included a wide range of formal tests and extended observation in a residential setting, if needed. Six projects reported that they made it possible for case managers to refer participants to specialized agencies for in-depth assessment.

Employment and Training Services. During the first year of the demonstration, services offered through the JTHDP could be divided into those services that focused primarily on building future employability ("training services") and those services directed more specifically at getting clients into unsubsidized jobs ("employment services").

In the area of training services, reports submitted by the JTHDP projects indicated that 87 percent of the projects offered job search assistance or job preparation training, 83 percent offered vocational or occupational training in a classroom setting, 65 percent offered on-the-job training for participants, and 61 percent offered one or more services designed to improve the educational level of the participants. These services were typically some form of remedial education, basic skills, or literacy instruction. In addition, 52 percent of the projects offered job counseling, 35 percent offered work experience, and 23 percent offered other training services which included customized employer-specific training and youth-oriented training.

In the area of employment services, 84 percent of the projects reported that they placed some participants directly into jobs, 32 percent provided job development services, 23 percent operated self-help groups, 16 percent offered supported employment, 13 percent provided sheltered employment, and less than one percent noted that they provided either training after placement or mentoring services.

Postplacement Services. Postplacement services are designed to support at-risk participants once employment is secured. Twenty of the 32 JTHDP projects (63 percent) made explicit reference to postplacement followup services in their final evaluation reports, with 18 of the programs discussing the specific services offered. Postprogram services offered included: transportation; employee/employer intervention or advocacy; continuation of support services; rental assistance; group counseling and/or alumni groups; job retention, individualized job counseling, and career counseling; housing assistance; employee monitoring; continued case management; child care; ongoing advocacy; food; educational referral and monitoring; clothing/uniforms; employee incentives; clinical intervention; and counseling for abuse of alcohol or other drugs.

Program Coordination

Because homeless individuals experience multiple and complex problems, their needs are not likely to be addressed by a single service provider. Few agencies have the capacity to meet all of a homeless person's interrelated needs for treatment or recovery, housing, health care, and employment and training services. As a result, the JTHDP projects used linkages and coordination as key elements in their approaches to serving the homeless.

The JTHDP projects reported a wide variety of coordination arrangements and activities, and identified in particular at least four distinct kinds of cooperative relationships: (1) referrals to other agencies that provide services to homeless participants; (2) "reverse" referrals (i.e., referrals of potential participants from other agencies such as community mental health centers, State hospitals, local shelters, child protective services, clinics, law enforcement agencies, and local health departments); (3) advisory groups or boards typically comprised of community representatives from agencies actively engaged in serving the homeless; and (4) networks or coalitions of organizations.

JTHDP projects reported that many services were provided through linkages. These included intake/assessment services, case management, training and employment services, housing, and supportive services. Twenty-four JTHDP projects reported linkages with a total of 628 agencies to meet the needs of homeless participants.

Program Impact on Alcohol and Drug Abuse

Those JTHDP projects providing such data estimated that 45 percent of participants had substance abuse problems (however, due to the nature of reporting this data, this estimate may significantly understate the problem). Because alcohol and drug dependency are important factors contributing to the problem of homelessness, programs that serve the needs of this group are increasingly finding that they must first confront these problems before providing training and other services.

The final section of the report presents information obtained in the individual projects about the incidence of alcohol and other drug abuse among homeless participants served by JTHDP, service delivery approaches that have been used in providing alcohol and other drug treatment services to program participants, and the impact of participant alcohol and other drug abuse on JTHDP implementation and outcomes.

The report describes differences in providing inhouse services to address these problems versus referrals to other service providers. The report also describes sequential and concurrent approaches to treatment and discusses four approaches for addressing the alcohol and other drug treatment/counseling needs of homeless participants in job training and employment programs.

PROGRAM DEVELOPMENT AND IMPROVEMENT

Throughout PY 1990, the Department continued to sponsor research in areas relating to ETA program operations. This included: (1) a study of the adequacy of labor market information; (2) an analysis of the earnings effect of the National Supported Work Experiment; (3) a study of JTPA staffing and training; (4) a study of the experiences of people who exhausted their UI benefits; (5) an investigation of the decline in UI claims in the 1980s; (6) a study of the effectiveness of UI as an economic stabilizer; and (7) an analysis of a demonstration project designed to accelerate jobless workers' return to work.

The Adequacy of Labor Market Information

Over the past quarter century, Congress has supported the usefulness of labor market information (LMI) by using it in allocation formulas and encouraging or mandating its use by States and localities in operating federally funded workforce preparation programs. Recently, however, some of the Nation's statistical activities related to trade and productivity have been questioned by the Joint Economic Committee in Congress and the Congressional Office of Technology Assessment for failing to keep up with important changes in the domestic and international economies. Labor market statistical programs have also been challenged by the changes.

In response, a recent study of the adequacy of labor market information examined how people in States and localities use LMI, their views on its importance and relevance to their work, and their assessment of their own familiarity with information sources and applications. The study revealed that 99 percent of a sample of State and local policymakers and planners find labor market information somewhat useful to their work.[21] (See Chart 12.)

The authors defined labor market information as systematized data produced on a regular basis about employment, unemployment, jobs, and workers. LMI encompasses several important statistical series on these topics produced cooperatively by the Department's Bureau of Labor Statistics (BLS) and State Employment Security Agencies. The term also refers to administrative data based on labor market-oriented programs such as unemployment insurance and job training. In broader terms, LMI encompasses educational statistics, particularly those related to preparation of the workforce (such as educational attainment levels and dropout rates). In all cases, LMI means not just data, but also the analytical work that makes data meaningful.

The report describes the research methodology, presents findings on the usefulness and limits of LMI, describes survey findings on the various uses of LMI, discusses how individuals obtain LMI and the training needed to use the information, summarizes various labor market issues and LMI needs, and describes the needs of the private sector with regard to LMI. The report's appendix contains background information on regional conferences on LMI held in 1988-1989, provides details about the project's methodology, and includes a copy of the questionnaire used to obtain information. The appendix also lists the private sector interviewees and their affiliations.

The researchers conducted a survey of opinions of the adequacy of labor market information in the public sector (views of LMI users in the JTPA system, Private Industry Councils, the Employment Service, and the vocational education community were solicited), as well as less formal research in the private sector (views of 34 business and labor representatives were solicited).

The key findings from the study, as they relate to the usefulness and limits of labor market information, include:

- Public officials who administer employment and training programs find labor market information either "very useful" or "useful" in their work, although State officials and planners are more likely than local officials or policymakers to take this view.
- Respondents give high marks generally to the BLS data programs and to poverty and demographic data. Administrative databases specific to particular programs, such as data on earnings of JTPA completers, Job Service and UI data, and education data receive lower ratings of usefulness and relevance,

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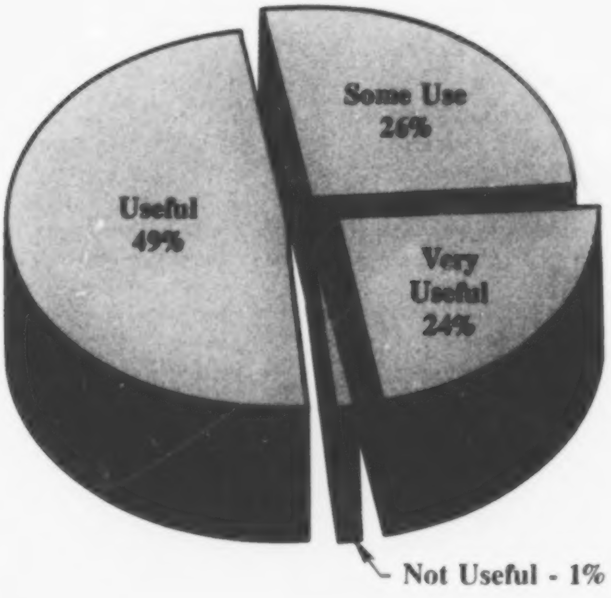
[21] Paula Duggan and Matt Kane, *Assessing the Adequacy of Labor Market Information at the State and Local Level* (Washington, D.C.: Northeast-Midwest Institute, 1990).

Chart 12. Usefulness of Available Labor Market Information, All Survey Respondents



Source: Northeast-Midwest Institute survey information.

largely because respondents lack familiarity with program data from agencies other than their own.

- Users' judgments about the usefulness of data depend heavily on the sufficiency of their training in LMI. Those who feel sufficiently trained tend to rate LMI as very useful, while those who do not feel sufficiently trained tend to rate it as only somewhat useful. The authors point out that the majority of respondents do not feel sufficiently trained to use LMI in their work and recommend that State LMI divisions should be the organizational components to provide training.
- Many respondents say that data are not sufficiently localized or up-to-date.
- Public-sector users surveyed note that the primary purpose of LMI statistics is to provide information for policymaking and planning processes. As a result, the accuracy, timeliness, and local detail of data really do matter because LMI users base their labor market strategies on that data. The authors suggest that training users in the strengths and weaknesses of data and how to use data properly in program planning and policymaking is important in maximizing Federal investments in job-related efforts.
- Statistical data and analysis is one of the most important inputs to agency decision-making in a wide range of decisions, frequently outranking other sources of input, such as the views of employers, advisory groups, and elected officials.

Survey respondents were also asked to identify data needed but not available. Table 14 summarizes responses to this question.

The National Supported Work Experiment

Operating from 1975 to 1979, the National Supported Work (NSW) experiment provided immediate

Table 14. LMI Data Needed but Not Available: by Agency (Percent)

Data Category	JTPA	ES	PIC	Vocational Education
Literacy/occupational skills of population	15	12	15	9
Demographic characteristics	18	14	18	4
Skill requirements of employers	10	10	3	12
Listings of jobs and projections	20	21	24	42
Wage data	7	13	6	3
Benefits information	1	2	6	0
Tracking/placement data	8	4	0	9
Dropout data	5	0	0	0
Other[a]	16	25	27	23

[a] Includes responses about data systems and analysis of data, as well as specific types of data not listed above, such as farmer/rancher data, food stamp data, and commuter patterns.

Source: Northeast-Midwest Institute survey.

subsidized employment opportunities to trainees, with the intent of providing them with experience and skills that would later facilitate private sector employment. It was targeted to certain groups that experienced disadvantages in the labor market: ex-addicts, ex-offenders, youth, and recipients of Aid to Families with Dependent Children. The work experience provided in the 10 NSW sites across the country centered primarily in service occupations for women and construction for men.

An analysis of the long-term earnings effect of the NSW demonstration on AFDC recipients and youth target group members indicated that the experiment had a significantly positive impact on the earnings of welfare recipients from 1982 through 1986, but no impact on the earnings of the economically disadvantaged youth target group.[22]

Background

Funding for NSW provided for a series of followup surveys which began as each participant was randomly assigned to either a treatment or control group. Four additional surveys were later conducted at nine-month intervals. Information obtained included demographic and socioeconomic data along with self-reported earnings and matched earnings records from the Social Security Administration (SSA) for the years 1972 through 1977.

Earnings information from the SSA was updated by other researchers investigating the earnings impacts of the NSW experiment on two groups—AFDC recipients and youth. This updating provided a data set containing demographic information and a continuous earnings record from 1972 through 1981.

The researcher for this study further updated the records for these two groups through 1986 by having the social security numbers of the NSW participants matched with the SSA's earnings files, thus producing a continuous earnings record from 1972 through 1986.

Data Analysis and Conclusions

The report extensively covers the analytical theory, estimation techniques, and technical procedures involved in the research, including equations used to estimate the unbiased average earnings effect of the program on participants, and analysis of earnings for control and program participant groups.

The investigation revealed that in years prior to program entry (1972 through 1974), the earnings of the program participant (or treatment) groups and the control groups tracked each other closely for both the youth and AFDC targets. However, while the treatment groups were in training they received subsidized wages, which were reflected in higher earnings for the AFDC treatment group from 1976 to 1978 and the youth experimental group in 1976 and 1977.

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[22] Kenneth A. Couch, *Long-Term Earnings Effects of the National Supported Work Experiment: Evidence for the Youth and AFDC Target Groups* (University of Wisconsin, 1991).

Thus, the analysis of the earnings equation indicated that during the program's training period, participant earnings often rose above those of the control group. Because most of the participants were processed through the program in 1976 and 1977, the effect of the subsidized employment on their earnings was seen most clearly in those years. As individuals began leaving the program, the earnings profiles for both groups fell noticeably in 1978 and 1979. While the AFDC participant group maintained an increase in earnings in the first year after all of its members had completed their training, the youth did not.

In the post-training period from 1979 to 1981, the estimates on earnings for the AFDC target group were positive but, for the most part, statistically insignificant. The estimates of the program's impact on earnings from 1982 to 1986 indicated, however, that the effect of the NSW on the earnings of the AFDC target group members ranged from $375 to $655 in 1978 dollars. Analysis shows that the initial positive earnings effect for AFDC program participants, which had been demonstrated in previous research studies, was maintained eight years after the AFDC participants exited the program. The report points out that these earnings gains for AFDC recipients were not enough to lift the average treatment group member from poverty, but the increased earnings more than offset the net costs of their training.

For the youth group, during the period from 1979 to 1986, the analysis revealed no positive earnings effects as a result of program participation.

JTPA Staffing and Training

Since JTPA's inception, a number of studies have examined the quality of JTPA client training, elements that characterize successful Private Industry Councils, and other related topics. However, little information has been gathered about JTPA staff.

A recent study focused on this topic, examining JTPA staff structures, preferred qualifications for JTPA staff, characteristics of JTPA staff, and staff training practices and priorities.[23] Its particular focus was on staff serving Title II-A programs. Findings were based on national surveys and a representative sample of case studies in eight States and eight SDAs.

JTPA Staff Structures

Researchers found no discernible patterns to categorize State and SDA staff structures into distinctive organizational types. From the surveys, however, they were able to draw some conclusions about the general operation of the JTPA State agencies and SDAs, staff size, performance of JTPA functions, perceived adequacy of staff size, staff pay and benefits, and issues related to staff recruitment, advancement, turnover, and vacancies.

Structural Characteristics of JTPA Staff Organizations. At the State level, the survey revealed that 11 percent of the agencies containing the JTPA unit only performed functions related to JTPA. Sixty-three percent also ran unemployment insurance operations and 61 percent also operated the Job Service. Other labor-related programs operated by the State agencies that administered JTPA included apprenticeship programs, labor standards, and Occupational Safety and Health Administration or industrial safety functions. A few State agencies also ran welfare, vocational rehabilitation, community development, or economic development programs. In no States that responded to the survey did the agency containing the JTPA unit run education programs.

Among the responding SDAs, 62 percent were administered by government agencies, 28 percent by incorporated PICs, and 10 percent by community-based or other organizations, such as community colleges. Sixty percent of the SDAs participating in the survey had been prime sponsors under the Comprehensive Employment and Training Act (CETA).

Civil Service and Collective Bargaining Status. Four-fifths of the State JTPA directors reported that their staff was included in a civil service system and half of the directors noted that members of their staff were represented by collective bargaining organizations. At the SDA level, 21 percent of SDA directors said that their staff was included in a civil service system and 16 percent said that their staff were represented by collective bargaining units.

Staff Size. The mean number of State JTPA staff was 44. In 80 percent of the States responding, both the State Job Training Coordinating Councils and the State JTPA unit shared the same staff. In States that had separate staffs, the mean size was 7.8 positions. At the SDA level, the average number of Title II-A staff was 25 in PY 1988, increasing to 26 in PY 1989. Only 12 of the SDAs that responded to the survey had separate staffs for the administrative entity and the PIC. (Obviously, the fact that 28 percent of the administrative entities were PICs influenced this result). The mean staff size for separate PICs was four positions.

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[23] Laura Schlichtmann, Robert F. Cook, et al., *JTPA Staffing and Staff Training at the State and SDA Levels* (Oakland, Calif.: Berkeley Planning Associates, 1991).

Internal/External Performance of JTPA Functions. State JTPA directors were asked about various responsibilities in several areas of JTPA operations. Table 15 (page 78) shows the results of their responses. As the table indicates, State directors reported that only a few functions were performed by outside staffs or contractors. The function most commonly performed by outside personnel was legal support (with 89 percent of the States reporting that outside staff or a contractor discharged this responsibility). At the SDA level, the survey revealed that outside staff or vendors were often used for auditing, research and evaluation, legal support, staff training, and client-oriented services. Table 16 (page 79) shows who performs various JTPA functions at the SDA level.

Perceived Adequacy of Staff Size. Over 60 percent of the State directors who responded to the survey felt that the size of their staff was too small in relation to its responsibilities, whereas only one-quarter of the SDA directors expressed dissatisfaction with their staff size. When asked what new positions would be added if possible, State directors most frequently noted that policy and planning staff were needed. SDA directors said that if possible, they would increase the number of counselors and job developers/placement specialists.

Factors Influencing Staff Structures. Researchers noted considerable variety and different reasons for various staff configurations at the State and SDA levels. In five of the eight case study States, the JTPA unit was part of the State employment (or labor) department. In two States, it was a separate entity within the Governor's office, and in one State there was no separate JTPA unit. Three of the eight States had a separate SJTCC staff, while in the other five States the same staff management directed the provision of SJTCC staff support and administration of all other State JTPA functions. The report notes that key factors affecting the organization of staff in the case study SDAs were the local availability of contractual service providers, the degree of influence by local politics, and whether the PIC served as the administrative entity. Four of the eight SDAs studied were administered by incorporated PICs, two by agencies of county government, and two by city agencies.

Pay and Benefits. A substantial majority (71 percent) of State directors made $45,000 per year or more. Among local agencies, nearly one-third of the SDA directors had salaries between $25,000 and $34,999, while 38 percent had annual salaries of $45,000 or more. Benefits for both State and local JTPA staff were very similar and relatively generous. During site visits, the researchers asked directors and managers about the relative attractiveness of the salaries and benefits that they were able to offer. In only one State did top management consider that salary levels were a problem.

Opportunities for Advancement. In the site visits, advancement opportunities came up repeatedly as a weak area, particularly beyond the associate professional/technical level. The researchers noted that staff sizes which had been steadily shrinking for several years, combined with low turnover, meant that advancement generally required departure. At both the State and SDA levels, managers called the lack of promotional opportunities "the major drawback" for their organizations.

Preferred Qualifications for JTPA Staff

The researchers asked directors and managers about the skills, education, and experience which they sought for JTPA staff. This information was complemented by asking participants in the staff surveys what skills, educational background, and experience they would recommend as most appropriate for their own position.

At the State level, directors and managers consistently emphasized good communication skills, good analytical skills, good "people" skills, the capability of working independently, and a familiarity with JTPA and the training and employment field. They noted that individuals who were "generalists" or had varied backgrounds, combined with experience in the JTPA system, best provided the requisite skills.

At the SDA level, professional and managerial position descriptions tended to be more specific to the training and employment field than at the State level. For mid- and higher-level administrative positions, similar to the State level, directors and managers emphasized analytical and communication skills and an ability to get along with people. A bachelor's degree was strongly favored (and in some cases required) for most administrative and technical positions.

The staff survey asked individuals what skills they believed were essential for fulfilling their duties. Both State and SDA staff ranked interpersonal skills and written and oral communication skills at the top. State staff highly rated computer skills, occupation-specific skills, organizational and time management skills, and analytical skills. SDA staff as a whole emphasized similar skills, with the exception of analytical skills. At the SDA level, counseling, fiscal/accounting, program development, and teaching were also considered important.

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Profile of JTPA Staff

The researchers analyzed survey data to determine certain characteristics of JTPA staff.

Education. The researchers found that most JTPA staff had a college education and substantial program experience. A majority (just over 50 percent) of both State and SDA staff had at least a bachelor's degree. The major field of education specified by respondents who had attained a postsecondary degree varied somewhat by specific degree and State/SDA level. For both State and SDA staff with an associate's degree, the dominant major was business administration/accounting, followed by computer-oriented majors. Among State staff with a bachelor's degree, the most frequent majors specified were business administration/accounting and the social sciences (including economics, psychology, sociology, history, political science, and anthropology). At the SDA level, the majority of respondents had degrees in the social sciences followed by a tie for business administration/accounting and social work/counseling/education.

Among State respondents with a master's degree, the four top fields were public administration/planning, social science, personnel/human (or industrial) relations, and counseling/social work. SDA staff respondents with a master's degree were most likely to have obtained it in education, followed by public administration/planning, counseling/social work, business administration, and social science. There were very few doctoral degrees at either level.

Experience. Over half of the State staff surveyed had spent at least 10 years in the training and employment field, while the corresponding percentage at the SDA level was 37 percent. Despite the respondents' generally long tenure in the field, the researchers found that a minority—31 percent of State staff and 25 percent of SDA staff—were members of any professional association.

Demographic Characteristics. According to the study findings, most JTPA staff members were white, at least 36 years old, and women. SDA staff were slightly more ethnically diverse, somewhat younger, and more likely to be female than State staff. Specifically, at the State level, 74 percent of the responding staff members were white, 17 percent were black, four percent were Hispanic, four percent were Asian/Pacific Islanders, and one percent were American Indian/-Alaskan natives. At the SDA level, 67 percent of the staff were white, 19 percent were black, four percent were Hispanic, four percent were Asian/Pacific Islanders, and two percent were American Indian/Alaskan natives.

Staff Training Practices and Priorities

Drawing on both the case studies and survey data, the researchers investigated staff development practices within State and SDA organizations, and the kinds and quality of training received by JTPA staff. The researchers also assessed management and staff priorities for future training.

The researchers concluded that there appeared to be increasing interest in training for JTPA staff as witnessed by the growth of State training institutes that were encountered in the case study visits. In addition, two of the eight case study SDAs were taking steps to increase managerial control over the training their staff received.

During the period July 1987 to early 1990, the average number of training courses attended by staff respondents was almost four. Most of this training covered JTPA regulations and procedures, general management, and software packages, or it was position-specific.

Although there appeared to be an increased interest in training, only a minority of State and SDA organizations regularly planned and budgeted for staff training. In addition, the researchers noted that the line items set aside for training had been small in relation to overall staff expenses.

Insufficient administrative funds and excessive administrative costs were noted as the primary barrier to more deliberate and widespread staff training in State and local JTPA organizations. Staff coverage was also considered to be a serious barrier. Other problems cited by both directors and staff included restrictions on out-of-state travel, poor timing, and concerns about the quality of proposed training.

Recommendations

Recommendations included in the report are:

- ***Make Use of the "Top Twenty" Rankings of Training Priorities***. The report recommends that the Department, national staff training providers, and State and SDA managers review a listing of the top 20 training priorities identified in the surveys and case studies. Rankings vary for State and SDA staffs, but shared priorities include training in JTPA fiscal regulations and reporting procedures, practical applications of performance standards, and planning and program development.
- ***Make More Training Available Locally and at Lower Costs***. Because the survey revealed that cost considerations and coverage problems were important obstacles to greater participation in training,

lower-cost training and training that does not remove a person from a job for a lengthy period should be developed.

- ***Increase Management Direction for Staff Training.*** Because survey respondents indicated that supervisors tend to initiate training for their staff and that there was little organization-wide planning, the report recommends that organizations manage their staff training more deliberately.
- ***Remain Open to Generalists and to Alternative Preparation Tracks.*** Little evidence was found that argued for requiring a narrow range of educational backgrounds or experience for JTPA professionals. In fact, the report notes that managers emphasized having a variety of avenues open to obtain the necessary qualifications.
- ***Assist States Interested in Hiring Experienced SDA Staff.*** The report recommends that when State civil service procedures inhibit hiring staff with substantial SDA experience, it may be worthwhile for the Department to help States prepare justifications for such hires.
- ***Investigate Service Providers' Training Needs More Thoroughly.*** Since evidence suggested that contractual JTPA service providers were often unaware of and unable to participate in training that could help their staff do a better job, the researchers recommended that the Department sponsor a more systematic investigation of their staff training needs.

The report also provides an overview of staff organizations and staff training among JTPA service providers.

Unemployment Insurance Recipients and Exhaustees

The Nation's unemployment insurance system provides temporary income for workers who lose their jobs through no fault of their own. Ideally, this temporary support should be available until unemployed workers become reemployed.[24] Because the availability of this income support may create a disincentive to search for and accept reemployment, State UI programs limit the duration of benefits. As a result, some UI recipients exhaust their benefits.

Among other findings, a study of the behavior and characteristics of UI exhaustees and nonexhaustees revealed that a major distinction between the two groups pertained to their expectation about an eventual likelihood of recall by their pre-UI employer.[25] The study also found that a greater number of people who lived in high unemployment areas exhausted their benefits.

Objectives, Approach, and Design

The UI exhaustion rate has generally been used to determine the adequacy of benefit duration. Increases in the rate of UI exhaustion have frequently led to the introduction of extended benefits programs.

Throughout the history of UI, the Department has continually examined issues related to benefit exhaustion. Several studies of the experiences of individuals who exhausted their benefits have been undertaken over the years in an effort to understand the factors underlying benefit exhaustion, the reemployment rates of these individuals, and other labor market experiences. Although the study builds on some of this past research, four elements enhance its usefulness relative to previous studies:

- The sample is nationally representative.
- The availability of a sample that contains both nonexhaustees and exhaustees makes a thorough analysis of the reasons for exhaustion possible.
- Few exhaustees in the sample study were eligible for extended benefits, a situation which had complicated previous analyses of exhaustees.
- The sample timeframe provides an up-to-date look at exhaustees.

The study's four objectives were to examine: (1) the role of demographic, economic, and UI program factors to explain UI exhaustion; (2) the duration of unemployment following UI benefit exhaustion as a measure of the reemployment problems faced by UI exhaustees; (3) the UI and post-UI experiences of exhaustees and nonexhaustees; and (4) the policy implications resulting from the study's findings.

The exhaustee and nonexhaustee samples were chosen from individuals in 20 States[26] who began collecting UI benefits during a one-year period, October

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[24] In most States, the limit for UI receipt is 26 weeks for the regular State program. During periods of high unemployment, however, extended benefits programs have generally provided longer potential UI durations (although the degree to which extended coverage has been provided has varied substantially over the past two decades).

[25] Walter Corson and Mark Dynarski, *A Study of Unemployment Insurance Recipients and Exhaustees: Findings from a National Survey*, Unemployment Insurance Occasional Paper 90-3 (Princeton, N.J.: Mathematica Policy Research, Inc., 1990).

[26] These were: Alaska, California, Connecticut, Georgia, Illinois, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, and Wisconsin.

Table 15. Group Performing Various State JTPA Functions (Percent of Survey Respondents)

Function	JTPA or SJTCC Staff	Outside Staff or Contractor	Function Shared
SJTCC support	84	8	8
Developing the GCSSP (Governor's plan)	95	3	3
Target group policies	82	3	16
Designating SDAs	89	6	6
Approving SDA plans	86	6	9
Allocation of non-78% funds	84	5	11
Developing recapture policies	89	3	9
Performance standards policies	84	3	13
Planning and program development	89	3	8
Liaison with and technical assistance to SDAs	92	6	3
Liaison with elected officials	78	11	11
Interagency coordination	79	5	16
Labor market research	30	51	19
MIS	87	10	3
Computer operations	50	40	10
Evaluation	81	8	11
Personnel and labor relations	37	46	17
Staff training	60	20	20
Budgeting	82	10	8
Accounting	53	28	20
Contract monitoring	95	3	3
Auditing	24	66	11
Audit resolutions	74	18	8
Other fiscal services	46	49	5
Legal support	8	89	3

Note: Percentages may not add to 100 due to rounding.

Source: *JTPA Staffing and Staff Training at the State and SDA Levels.*

1987 through September 1988. Overall, 1,920 exhaustees and 1,009 nonexhaustees were interviewed in fall 1989. This schedule provided an average 20-month labor market history, beginning with the date of the pre-UI job loss.

Participant Characteristics

Demographic Characteristics. In examining the sample of UI exhaustees and nonexhaustees, researchers found that exhaustees were somewhat more likely to be female (45 percent) than were nonexhaustees (40 percent). Exhaustees were also older and more likely to be black or Hispanic than were nonexhaustees. In addition, the researchers found that exhaustees were both more likely to have less than a high school diploma and more likely to have a bachelor's degree (or higher) than nonexhaustees. In addition, exhaustees were less likely

Table 16. Group Performing Various Service Delivery Area Functions (Percent of Survey Respondents)

Function	Administrative Entity or PIC Staff	Outside Staff or Vendor	Function Shared
Program development	88	1	11
Program management	93	3	5
Public/private sector involvement	78	5	17
Employer relations	73	8	20
Developing RFPs and contracts	95	1	4
Contract monitoring	96	3	1
Budgeting	98	0	2
Accounting	95	1	4
Auditing	52	36	12
Procurement	89	2	9
MIS	93	1	6
Computer operations	86	5	9
Research and evaluation	60	17	23
Personnel	82	8	9
Staff training	51	20	29
Legal support	43	43	14
Outreach and intake	53	27	20
Assessment and counseling	54	27	19
Job development and placement	50	36	14
On-the-job training	54	35	12
Classroom training	22	55	22

Note: Percentages may not add to 100 due to rounding.

Source: *JTPA Staffing and Staff Training at the State and SDA Levels.*

to be married and less likely to have dependents than nonexhaustees. Table 17 shows the demographic and economic characteristics of exhaustees and nonexhaustees.

Labor Market Characteristics. In looking at the types of jobs that UI recipients held before they became unemployed, as well as their wages and other labor market characteristics, the researchers found that UI exhaustees may disproportionately constitute two types of individuals—those with low skills and low wages, and those with high skills and high wages. The researchers found that exhaustees were more likely than nonexhaustees to have received wages of less than $200 per week, and they were also more likely than nonexhaustees to have wages of greater than $800 per week. In addition, exhaustees were more likely than nonexhaustees to work 46 or more hours per week.

The report points out that differences noted between the two groups in areas such as job tenure (exhaustees had shorter job tenures), temporary layoff experience (exhaustees were less likely to have previously been laid-off regularly or at all on the pre-UI job), and union status (exhaustees were less likely to have been a union member) were mostly due to differences in the industry and occupation of the two groups. Exhaustees were concentrated more heavily in the services and retail trade sectors and less heavily in manufacturing—an industry characterized by temporary layoffs. Because a substantial number of construction workers in the study exhausted their benefits, the researchers con-

Table 17. Demographic and Economic Characteristics of UI Benefit Exhaustees and Nonexhaustees (Percent)

Characteristic	Exhaustees	Nonexhaustees
Sex:		
Male	55.1	60.4
Female	44.9	39.6
Age:		
Younger than 25	9.1	13.4
25 to 34	31.4	34.2
35 to 44	25.3	25.0
45 to 54	19.3	16.7
55 to 64	13.5	9.2
65 and older	1.5	1.6
Race/ethnicity:		
White	69.2	76.9
Black	14.8	10.9
Hispanic	11.2	8.9
Other	4.7	3.3
Highest diploma or degree received:		
Less than high school	22.6	20.9
High school/GED	51.2	55.9
Vocational/technical/associate's	13.4	13.5
Bachelor's	10.1	7.9
Post-bachelor's	2.6	1.8
Other	0.1	0.0
Married/living together at layoff	58.7	62.4
Married/living together at interview	59.8	65.8
Have dependents	48.2	51.6
Have dependent children under age 18	42.2	47.4
Spouse worked at layoff[a]	39.8	41.8
Spouse worked at interview	42.1	46.9
Household income 1987:		
Under $10,000	21.2	14.5
$10,000 to $20,000	32.0	32.9
$20,001 to $30,000	21.6	24.5
$30,001 to $40,000	10.9	15.4
$40,001 to $50,000	7.5	7.5
$50,001 or more	6.9	5.3
Sample size (number)	1,920	1,009

[a] These percentages are computed over the entire sample. The percent of married couples with a working spouse can be computed by dividing the percent of the sample with a working spouse by the percent of the sample who were married. For example, at layoff, 67.8 percent of the married exhaustees had a working spouse.

Source: Mathematica Policy Research (1990) as reported in *A Study of Unemployment Insurance Recipients and Exhaustees: Findings from a National Survey*, Unemployment Insurance Occasional Paper 90-3.

Table 18. Pre-Unemployment Insurance Job Separation Characteristics of UI Benefit Exhaustees and Nonexhaustees (Percent)

Characteristics	Exhaustees	Nonexhaustees
Laid off:	76.1	83.8
Plant or facility closed/company moved	16.2	9.1
Job or shift eliminated	8.9	4.4
Lack of work	48.0	68.0
Other	3.0	2.3
Quit	10.0	6.6
Fired	13.2	8.8
Other	0.7	0.8
Dislocated worker[a]	20.7	9.0
Expected recall	33.4	54.3
Had definite recall date	6.2	25.2
Was recalled	21.4	51.3
Sample size (number)	1,920	1,009

[a] Dislocated workers were classified according to the Bureau of Labor Statistics definition. Individuals who were laid off because a plant or facility closed or moved, because a job or shift was eliminated, or for lack of work were counted as dislocated workers if they had at least three years of job tenure and they were not recalled.

Source: Mathematica Policy Research (1990) as reported in *A Study of Unemployment Insurance Recipients and Exhaustees: Findings from a National Survey*, Unemployment Insurance Occasional Paper 90-3.

cluded that an important group of UI exhaustees work in seasonal industries such as construction.

Table 18 shows the characteristics of the exhaustees and nonexhaustees based on job separation characteristics.

In analyzing the data, the researchers noted that a major difference between the two groups is that exhaustees were less likely than nonexhaustees to believe that they were on temporary layoffs. As the table indicates, one-third of exhaustees expected to be recalled when they left their pre-UI job, compared to well over half (54 percent) of the nonexhaustees. The fact that a quarter of exhaustees lost their jobs because their company closed or moved or their job or shift was eliminated suggested that an important subset of exhaustees was composed of individuals who could be classified as dislocated workers.

Analysis of UI Exhaustion, Recall

The researchers used econometric techniques to derive estimates of the effects of various factors on UI exhaustion after controlling for a variety of worker and program characteristics. Among their conclusions are:

- A major distinction between exhaustees and nonexhaustees was their expectations about, and ultimate likelihood of, being recalled by their pre-UI employer. Individuals who expected to be recalled and had a definite date of recall were largely nonexhaustees, since they were generally on temporary layoffs. Individuals with no recall expectations (i.e., on permanent layoffs or otherwise permanently separated from their pre-UI job) were more likely to be exhaustees. Individuals who expected to be recalled but had no recall date were more likely to be exhaustees than were individuals with definite recall dates, but were less likely to be exhaustees than were individuals with no recall expectations.
- Differences in recall probabilities were related to many of the differences in pre-UI job characteristics of exhaustees and nonexhaustees.
- Higher local unemployment rates were also associated with a higher probability of benefit exhaustion.
- Among workers who did not expect to be recalled, older, female, and minority workers were more likely to exhaust their UI benefits. Female workers who

had working spouses were also significantly more likely to exhaust their benefits. These factors had no significant effects on the likelihood of exhaustion for workers who expected to be recalled.

- Longer potential durations of unemployment lowered the probability of exhaustion.

The study also contrasted the experience of the study sample with other groups of unemployed individuals. A comparison of the study sample (selected during the nonrecessionary period of 1988) with those who collected Federal Supplemental Compensation during the 1981-1983 recession and individuals who collected Federal Supplemental Benefits during the 1974-1975 recession revealed that the recession exhaustees were concentrated more heavily in durable manufacturing than the nonrecession exhaustees. The comparison also revealed that during the recessions, a greater percentage of UI exhaustees were male and expected to be recalled than exhaustees during the 1988 nonrecessionary period.

Recall expectations were generally accurate. Ninety-two percent of UI recipients who were given definite recall dates returned to work for their pre-UI employers. Seventy-one percent of workers who expected to be recalled but were not given definite recall dates returned to work for their pre-UI employers.

Workers who expected to be recalled, but were not, experienced much longer unemployment spells than did workers who expected to be and were recalled. The average spell of unemployment was 10 weeks for UI recipients who had definite recall dates when they were laid off and who were recalled, and 26 weeks for recipients who had definite recall dates when they were laid off but who found new employment. Twenty-five percent of workers who exhausted their UI benefits were reemployed within four weeks after exhaustion, and 40 percent were reemployed within 10 weeks after exhaustion.

Labor Market and Public Assistance Program Experiences

The researchers examined several aspects of the labor market experiences of UI exhaustees and nonexhaustees. These included the frequency and intensity of job search activities among the two groups, the nature of the jobs obtained by UI recipients compared with jobs held prior to their receipt of benefits, the use of reemployment services (through the Employment Service [or Job Service] or, in some cases, through the Job Training Partnership Act), participation in training and education programs, and receipt of retirement and public assistance benefits. The most important findings of this examination were:

- Exhaustees were more likely than nonexhaustees to look for work at the start of their UI claim. This was due primarily to differences in recall expectations.
- Eighteen percent of exhaustees reported that they did not look for work at the start of their UI claim.
- Many UI recipients experienced a decline in weekly wages once they became reemployed because their weekly hours were reduced.
- A substantial shift in industries and occupations between pre-UI jobs and post-UI jobs—particularly among exhaustees—was noted. The main shift was from manufacturing to retail trade and services.
- At the start of their UI claim, 64 percent of exhaustees received reemployment services (other than training) from the Job Service, and eight percent received services from JTPA or another source.
- Few exhaustees and nonexhaustees received pensions or social security benefits. Even fewer received cash or in-kind public assistance. However, the rate of public assistance receipt was higher for exhaustees than for nonexhaustees. The rate of public assistance receipt also increased following the exhaustion of benefits.

Policy Implications

In the final section of the report, the researchers: (1) describe the implications of the study's findings as they relate to policies designed to counter work disincentive effects of UI benefits; (2) examine the targeting of training or other reemployment services by addressing whether groups of UI recipients who might benefit from such services can be identified (specifically, dislocated workers and low-skill workers); and (3) discuss the implications of using State UI exhaustion rates for defining triggers for instituting extended benefits, of directing extended benefits to individuals in areas that exhibit high local unemployment rates, and of targeting EB to dislocated workers. The researchers point out that because the sample used for the analysis was drawn during a nonrecessionary period, the lessons learned from the study, for the most part, should only apply to nonrecessionary periods. Key policy implications were:

- Policies that impose minimal or no work search or Job Service registration requirements on UI recipients who expect to be recalled may be appropriate.
- Because dislocated workers are more likely to exhaust UI benefits, less likely to become reemployed, and have lower average wages if they do become employed, modifying the Bureau of Labor Statistics' definition of "dislocated worker" to incor-

porate recall ***expectations*** rather than recall ***outcomes*** may be a feasible way to identify these workers who are likely to have reemployment difficulties and might benefit from receiving expanded reemployment services early in their unemployment spells.

- Targeting reemployment services toward low-skill workers (those workers who have not completed high school or who earn less than $5 per hour on their pre-UI jobs) who do not expect to be recalled may be appropriate.
- Because UI recipients in States whose exhaustion rates in 1988 were high and States whose exhaustion rates during the same period were low differed in many ways (including UI program parameters and industrial/occupational distributions), using State exhaustion rates as a trigger for extended benefits would mean that benefits might be extended to workers who exhaust regular benefits for reasons other than a sluggish economy.
- Substate extended benefits programs have been proposed to direct benefits to local areas that suffer from structural unemployment. The researchers point out that if local unemployment rates were used as substate triggers for extended benefits, 22 percent of exhaustees would be eligible for extended benefits at a nine percent trigger rate. There was no evidence to suggest that substate unemployment rate triggers would direct extended benefits to areas with high structural unemployment.
- An alternative way to direct benefits to individuals whose unemployment is structural would be to target benefits toward dislocated workers since they appear to have greater difficulty in becoming reemployed than do other UI exhaustees.

Decline in Unemployment Insurance Claims in the 1980s

During the early 1980s, the proportion of unemployed workers in the United States who received UI benefits declined and remained low for the remainder of the decade.[27] A study completed in 1991 found that regional shifts in employment, slow growth in industries with historically high UI claim rates, and misunderstandings about eligibility status contributed to this decline.[28]

The study reviewed previous literature about the decline, analyzed data from a survey designed to investigate reasons for the decline, and speculated on the reasons in light of the previous literature and analysis of the survey data.

Background

Each year from 1983 to 1989, the ratio of insured unemployment (IU) to total unemployment (TU)—the IU/TU ratio—has fallen below .33. Compared to the average IU/TU ratio for the period 1968-1982 of 40.6 percent, the average IU/TU ratio for the 1983-1989 period was 24 percent lower. Table 19 shows unemployment rates, the number of unemployed, and the insured unemployed as a proportion of the total unemployed for 1968-1989.

The report points out that information known about unemployment in the 1980s appears to rule out two potential explanations for the decline in the IU/TU ratio. First, the demographic mix of the unemployed changed during the decade, but not toward groups that were less likely to claim and receive UI benefits—younger workers and women. Indeed, it changed toward the group most likely to receive benefits—adult men. According to these data, the IU/TU ratio should have increased rather than decreased.

In addition, longer durations of unemployment are generally associated with higher levels of UI benefit exhaustions, which cause the IU/TU ratio to decline. However, as the table indicates, long-term unemployment declined by almost three-quarters between 1983 and 1989, while the IU/TU ratio remained essentially unchanged. The reduction in long-term unemployment did not cause the IU/TU ratio to increase significantly since 1983.

The report points out that a number of unusual economic developments which occurred in the 1980s might explain some of the decline in UI claims activity during the decade. These included the taxation of UI benefits which began in 1979; UI financing problems in many States; the emergence of a substantial foreign trade deficit; the associated failure of manufacturing employment to rebound in the post-1982 economic recovery; and a change in the regional distribution of unemployment.

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[27] The reduced proportion of unemployed people receiving benefits occurred in both the regular State UI programs (which typically compensate workers for up to 26 weeks) and in the Federal-State Extended Benefits (EB) program (which can compensate the long-term unemployed for up to an additional 13 weeks).

[28] Wayne Vroman, *The Decline in Unemployment Claims Activity in the 1980s*, Unemployment Insurance Occasional Paper 91-2 (Washington, D.C.: The Urban Institute, 1991).

Table 19. Total Unemployment and Insured Unemployment, 1968-1989

Year	Unemployment Rates (Percentages)		Number of Unemployed (Thousands)			Insured as a Proportion of Total Unemployment
	Persons 16 and Older	Men 25 and Older	Persons 16 and Over (TU)[a]	Duration 27 Weeks and Over	Insured Unemployment (IU)[b]	
1968..................	3.6	1.8	2,817	156	1,079	0.383
1969..................	3.5	1.7	2,832	133	1,065	0.376
1970..................	4.9	2.8	4,093	235	1,762	0.430
1971..................	5.9	3.5	5,016	519	2,102	0.419
1972..................	5.6	3.1	4,882	566	1,800	0.369
1973..................	4.9	2.6	4,365	343	1,578	0.362
1974..................	5.6	3.0	5,156	381	2,202	0.427
1975..................	8.5	5.5	7,929	1,203	3,900	0.492
1976..................	7.7	4.8	7,406	1,348	2,922	0.395
1977..................	7.1	4.2	6,991	1,028	2,584	0.370
1978..................	6.1	3.4	6,202	648	2,302	0.371
1979..................	5.8	3.3	6,137	535	2,372	0.387
1980..................	7.1	4.8	7,637	820	3,305	0.433
1981..................	7.6	5.1	8,273	1,162	2,989	0.361
1982..................	9.7	7.5	10,678	1,776	3,998	0.374
1983..................	9.6	7.7	10,717	2,559	3,347	0.312
1984..................	7.5	5.7	8,539	1,634	2,434	0.285
1985..................	7.2	5.3	8,312	1,280	2,561	0.308
1986..................	7.0	5.3	8,237	1,187	2,607	0.316
1987..................	6.2	4.8	7,425	1,040	2,265	0.305
1988..................	5.5	4.2	6,701	809	2,048	0.306
1989..................	5.3	3.9	6,528	646	2,114	0.324

[a] Data on total unemployment refer to all unemployed persons 16 years and older as measured in the monthly labor force survey of households.

[b] Data on insured unemployment refer to claimants in the regular UI programs for the 50 States and the District of Columbia, of whom some 90-92 percent are usually in benefit status. Data do not include Puerto Rico and the Virgin Islands, although they also have programs that form part of the Federal-State UI system.

Source: U.S. Department of Labor, as presented in *The Decline in Unemployment Insurance Claims Activity in the 1980s*, Unemployment Insurance Occasional Paper 91-2.

Previous Literature

In reviewing three previous research projects on this subject, the researcher found that all the studies confirmed the decline in UI claims activity during the period. In one of the studies, the decline was mostly attributed to a series of legislative and administrative actions (i.e., taxing UI benefits and State actions such as increasing disqualification penalties for leaving jobs).

The second study emphasized four areas that might explain the decline in UI claims: (1) labor market variables (high overall unemployment during the decade, the decline in unemployment originating in manufacturing, and shifts in the demographic distribution of the unemployed); (2) changes in Federal laws and various changes in State laws; and (3) changes in the measurement of unemployment after 1980.

The third study examined annual State data on the IU/TU ratio to determine which factors were significant in explaining interstate variations in the ratio. It concluded that changes in the regional distribution of unemployment accounted for about half of the decline in applications for UI. During the period, a growing share of U.S. unemployment was located in the South and Mountain States, areas where the IU/TU ratio falls considerably below the national average.

Analysis of Survey Information

The researcher analyzed information obtained through the addition of seven supplemental questions about the receipt of UI benefits to the Current Population Survey (CPS).[29] These questions were asked of the unemployed during a four-month period: May, August, and November 1989; and February 1990.

The survey gathered information about why unemployed people did not apply for UI benefits. Of the 5.8 million persons who were unemployed during the survey period, almost two-thirds did not apply for UI benefits. Based on an analysis of the responses regarding failure to apply for benefits, the researcher observed that: (1) most nonapplicants appeared to know about UI (thus, their reason for not applying was not their ignorance of the program's existence); (2) few people said that they were deterred from applying because it was too difficult to apply or because of the stigma attached to receiving UI benefits; (3) the most common reason for not applying was that individuals did not think they were eligible; and (4) having another job or expecting to have another job was a common reason for not applying. Because of the prevalence of responses such as "other" and "don't know" to the supplemental questions, the ability to fully understand why such a low proportion of the unemployed apply for benefits was still not completely explained.

The researcher also analyzed the CPS supplemental unemployment data by region. The analysis provided information about age patterns of UI applicants and recipients, demographic characteristics of applicants/nonapplicants, the effect of differences in industries of the unemployed on their probability of applying for benefits, and the impact of unionization on benefit application and receipt.

Countercyclical Effects of the Unemployment Insurance Program

An aspect of the UI program that has gained prominence is its ability to automatically stabilize the economy during economic expansions and recessions. Many economists believe that unemployment compensation payments can help mitigate recessions by sustaining consumer spending when unemployment is relatively high. Recessions are cushioned because total spending during periods of high unemployment does not fall as much as it would without UI payments to unemployed workers.

Some economists have also suggested that the UI program stabilizes employment because taxes on employers are countercyclical. An increase in employers' taxes during an expansion, when employment is relatively high, can slow down the expansion, thereby limiting some of its inflationary effects. Alternatively, the lower the taxes paid by employers during a recession when unemployment is relatively high should have the opposite effect. Business spending would be stimulated by the lower UI taxes, thereby somewhat mitigating the impact of the recession.

A study of the effectiveness of UI as an economic stabilizer indicated that its value in this area has decreased in recent years.[30] Evidence in the study shows that the UI program in the 1980s was about two-thirds as effective a stabilizer as it was in the 1970s. According to the researchers, an important reason for this lessening of effectiveness is the smaller proportion of unemployed who receive UI benefits. Other reasons for the decline include the absence of growth in real benefits per UI recipient, and the introduction of benefits taxation.

Researchers pointed out that it is important not to confuse the stabilization aspect of UI with the income support function. Income support considerations were the driving force behind the establishment of the UI program; they should be distinguished from the stabilization question. It is possible, though rather unlikely, that the income support role of UI and the countercyclical effect of the program may have moved in opposite directions. This would be the result if, because of demographic changes or changes in expectations, new recipients have distinctly different propensities to consume than was previously the case.

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[29] The CPS is a monthly survey which serves as the main source of information on employment and unemployment. It produces estimates of total unemployment for the Nation, regions, States, and large metropolitan areas. The CPS data provide the information on TU used in IU-TU comparisons.

[30] Bruce H. Dunson, S. Charles Maurice, and Gerald P. Dwyer, Jr., *The Cyclical Effects of the Unemployment Insurance (UI) Program: Final Report*, Unemployment Insurance Occasional Paper 91-3 (The Woodlands, Tex.: Metrica, Inc., 1991).

Furthermore, since the introduction of the modern social welfare system, temporary income support is provided through other programs. Consequently, even though the proportion of eligible persons receiving UI benefits at a given time has decreased, the proportion of their income compared with their previous income while not working may be the same or even higher compared with that of the unemployed during earlier periods. If such is the case, UI alone may have diminished importance as an economic stabilizer, but total transfer payments to the unemployed may act equally well or better as a stabilizer. Researchers suggest this is a topic for future research.

Accelerating Jobless Workers' Return To Work

A study of the New Jersey Unemployment Insurance Reemployment Demonstration Project found that each of the three packages of adjustment services provided to jobless workers: (1) reduced the amount of UI benefits collected over the benefit year; (2) increased employment and earnings in the year following initial UI claims; and (3) offered net benefits to society as a whole, when compared with existing services. A subsequent study followed UI claimants over a three- to four-year period.[31]

Initiated by the Department through a cooperative agreement with the New Jersey Department of Labor, the demonstration began operating in July 1986. It was designed to examine whether the UI system could be used to identify displaced workers early in their unemployment spells and provide them with alternative, early intervention services to accelerate their return to work. The three types of adjustment services (or "treatments") tested were: (1) job search assistance (JSA) only; (2) job search assistance combined with training or relocation assistance; and (3) job search assistance combined with a cash bonus for early reemployment. Eligible claimants were identified and services provided through the coordinated efforts of the Unemployment Insurance Service, the Employment Service, and the JTPA program.

An initial evaluation of the demonstration[32] found that each of the three treatments reduced the amount of UI collected, and increased employment and earnings in the year following the UI claim. The follow-up study was designed to extend the evaluation to examine UI and earnings impacts over a three- to four-year period beginning with the initial UI claim that led to the selection of claimants in the original sample.

The Demonstration

The specific goals of the demonstration were to: (1) examine the extent to which UI claimants who might benefit from the provision of employment services could be identified early in their unemployment spells; (2) assess the policies and adjustment strategies that help these workers become reemployed; and (3) examine how such a UI reemployment program should be implemented. The demonstration used several eligibility "screens" in an effort to target services toward claimants likely to be displaced and to experience difficulty in becoming reemployed.

Eligible claimants were assigned randomly to one of the three treatment groups or to a control group which received the "regular" services that were available at the time of the demonstration. Services for claimants in each of the treatment groups began when they reported to a demonstration office (usually an Employment Service [or Job Service] office). Each of these treatment groups tested a different aspect of the employment problems faced by displaced workers.

The JSA-only treatment tested the assumption that many displaced workers have marketable skills but do not have sufficient job search knowledge or experience to identify these skills and sell them in the job market. The training treatment tested the assumption that the skills of some workers may be outmoded and should be upgraded. The reemployment bonus treatment tested the assumption that the provision of JSA alone is not a sufficient incentive for UI claimants to quickly obtain employment, and that an additional incentive (a cash bonus) may help them accept a suitable job more rapidly.

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[31] Patricia Anderson, Walter Corson, and Paul Decker, *The New Jersey Unemployment Insurance Reemployment Demonstration Project Follow-Up Report,* Unemployment Insurance Occasional Paper 91-1 (Princeton, N.J.: Mathematica Policy Research, Inc., 1990).

[32] Walter Corson et al., *The New Jersey Unemployment Insurance Reemployment Project,* Unemployment Insurance Occasional Paper 89-3 (Princeton, N.J.: New Jersey Department of Labor and Mathematica Policy Research, Inc., 1989). Findings of this study were summarized in the previous *Training and Employment Report of the Secretary of Labor* covering the period July 1988-September 1990.

All participants received orientation and testing during the week in which they reported to the demonstration office. In the following week, they attended a job search workshop which consisted of five half-day sessions.

Follow-up, one-on-one counseling/assessment interviews were scheduled for the participants in each of the three groups the week following the job search workshop. Beginning with these interviews, the nature of the three treatments differed. During the interviews, participants in the JSA-only group were told to maintain periodic contact with the demonstration office as long as they continued to collect UI benefits. Participants were required either to discuss their job search activities directly with demonstration office staff or engage in job search-related activities at a resource center located in the demonstration office.

UI claimants in the second group (JSA plus training or relocation) were also told about the resource center and about the need to maintain contact during their job search. They were told about the availability of classroom and on-the-job training and encouraged to pursue this training if interested. And they were informed about the availability of relocation assistance, which, if they elected not to pursue training, could be used to pay for out-of-area job search and for moving expenses.

Claimants in the third group (JSA plus a reemployment bonus) were offered the same JSA services as the first treatment group, plus a bonus for rapid reemployment. The maximum bonus equalled one-half of the claimant's remaining UI entitlement at the time of the assessment interview (available if the claimant started working either during the assessment week or in the following two weeks). Thereafter, the potential bonus declined at a rate of 10 percent of the original amount per week until it was no longer available.[33]

Follow-up Study

In order to meet the follow-up study's objectives, the researchers collected data on all new initial claims that were established after the claim that made individuals eligible for the demonstration. In addition, data on weeks worked and earnings were obtained from quarterly wage records. For the analysis, quarterly earnings and weeks worked on all jobs were summed by calendar quarters defined relative to the initial date of the claim. Data were reported for 10 quarters, beginning with the first calendar quarter after the date of the claim.

Impacts on UI Receipt and Earnings. To investigate the impacts of the three treatments beyond the initial benefit year, the researchers obtained UI administrative records for the treatment and control groups covering the period from the initial benefit year through June 1990. Because participants (and controls) entered the demonstration from July 1986 to June 1987, this timeframe provided data for the initial claim year and two subsequent years. Limited data were also obtained for a fourth year.

The researchers found that for the entire follow-up period, the JSA-only and the JSA plus reemployment bonus treatments had statistically significant impacts on reducing the benefits paid to UI claimants, and all three treatments had statistically significant impacts on reducing the length of time that benefits were collected. These impacts ranged from a reduction of $107 for the JSA plus training or relocation treatment to a reduction of $293 for the JSA plus reemployment bonus treatment.

The impact of the treatments on the number of weeks that UI payments were received ranged from a reduction of about three-quarters of a week for the JSA-only and the JSA plus training or relocation treatments to a reduction of 1.6 weeks for the JSA plus reemployment bonus treatment. These impacts for the entire follow-up period were larger than the impacts that were found for the year of the initial claim. Table 20 shows the impacts of the three treatments on UI dollars received and weeks paid.

The study also revealed that the JSA-only and the JSA plus reemployment bonus treatments led to a statistically significant reduction in the probability of receiving UI in the second year. A statistically significant reduction in the probability of receiving UI was also found for the third year for the JSA plus reemployment bonus group. Although the number of UI claims over the entire follow-up period declined for each of the treatment groups, the impact was statistically significant only for the JSA plus reemployment bonus group.

The researchers suggest that the JSA component of the treatments led to longer-term impacts and more rapid reemployment initially, and it generated jobs that

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[33] Claimants could not receive a bonus if they were recalled by their former employer, if the job was with a relative, or if the job was temporary, seasonal, or part-time. They received 60 percent of the bonus if they were employed for four weeks, and the remainder if they were employed for 12 weeks.

Table 20. Impacts of the New Jersey Unemployment Insurance Reemployment Demonstration Project's Treatments on UI Dollars Received and Weeks Paid

Period	JSA-Only		JSA Plus Training or Relocation		JSA Plus Reemployment Bonus		Control Group Mean	
	Dollars Received	Weeks Paid	Dollars Received	Weeks Paid	Dollars Received	Weeks Paid	Dollars Received	Weeks Paid
Year of initial claim (first year)........	-87[a]	-0.47[b]	-81[b]	-0.48[b]	-170[c]	-0.97[c]	3,228	17.9
Second year......	-93[c]	-0.53[c]	-39	-0.22	-78[b]	-0.44[b]	600	3.3
Third year........	0	0.06	-5	-0.06	-61	-0.30	533	2.8
Fourth year	33	0.19	20	0.05	18	0.12	195	1.0
Total	-150[a]	-0.76[a]	-107	-0.72[a]	-293[c]	-1.60[c]	4,559	25.1
Total after initial claim year........	-63	-0.29	-26	-0.24	-123[a]	-0.63[a]	1,331	7.2

[a] Statistically significant at the 90 percent confidence level for a two-tailed test.

[b] Statistically significant at the 95 percent confidence level for a two-tailed test.

[c] Statistically significant at the 99 percent confidence level for a two-tailed test.

Note: The sample used for this analysis includes 2,416 JSA-only sample members, 3,810 "JSA plus training or relocation" sample members, 2,449 "JSA plus reemployment bonus" sample members, and 2,385 control group members. The estimates are regression-adjusted treatment-control differences.

Source: Mathematica Policy Research, Inc., as reported in *The New Jersey Unemployment Insurance Reemployment Demonstration Project: Follow-Up Report.*

were more stable than those found by control group members.

Impacts on Earnings. The initial evaluation of the demonstration showed that each of the treatments increased earnings in the year following the initial UI claim and that these earnings were concentrated in the first two quarters following the initial claim. The initial evaluation also revealed that the earnings impacts were found to be the lowest for the JSA plus training or relocation treatment group during this period. This result was expected, since participation in training reduced the time available for employment. Any impacts of training on earnings were expected to occur over a longer period of time, after training was completed.

In the follow-up study, an analysis of quarterly earnings of a sample of the demonstration's participants indicated that the JSA plus reemployment bonus treatment had a statistically significant impact on earnings in the first quarter following the UI claim, and that the impacts of the other two treatments were positive but not statistically significant. None of the treatments had longer-run impacts on the probability of employment, the amount of earnings, or the number of weeks worked.

Benefit-Cost Analysis. The study combined estimates of the long-term impacts of the demonstration with estimates of the net costs of the demonstration to assess whether, compared with the existing UI system, the benefits of each treatment exceeded its costs. Researchers measured the net cost of each of the three treatments (using only those costs that would be incurred in an ongoing program) relative to the costs of the UI, ES, and JTPA services that were currently used by the target population.[34] In order to measure the extent to which the costs of the demonstration services were greater than the costs of providing the existing services, the researchers compared the costs of the demonstration services with the costs of the services received by the control group.

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[34] This comparison was based on the principle that claimants in the demonstration treatments received some services that they would have received even in the absence of the demonstration. For example, some claimants whom the demonstration referred to JTPA services would have gone to JTPA for services on their own.

The results of the analysis suggested that all three treatments offered net benefits to society as a whole and to claimants relative to existing services. The JSA-only treatment and the JSA plus reemployment bonus treatment also resulted in net gains to the Government as a whole and to the Department. On the other hand, the JSA plus training or relocation treatment was expensive for the Government. Major findings based on this analysis include:

- The benefits of the JSA-only treatment outweighed the costs from the perspectives of the claimants, the Government, and society as a whole, while the benefits exactly offset the costs for the Department.
- The JSA plus training treatment provided net benefits to claimants and generated net costs to the Government while society, as a whole, broke even.
- The JSA plus reemployment bonus treatment had a larger impact on reducing UI receipt than the other two treatments in both the short- and long-run. It also increased employment and earnings significantly in the short-run. However, even though the JSA plus bonus treatment had greater impacts on earnings and UI receipt than the JSA-only treatment, the two treatments yield almost identical net benefits from all perspectives because of the higher costs of JSA plus the reemployment bonus.

ANNOTATED BIBLIOGRAPHY OF RESEARCH AND EVALUATION REPORTS COMPLETED DURING PROGRAM YEAR 1990

ANNOTATED BIBLIOGRAPHY

The following is a bibliography of research and evaluation reports completed during PY 1990 (from July 1, 1990, through June 30, 1991). Each report is listed by title, contractor/grantee, and contract/grant number. The year provided in the individual descriptions is the calendar year in which the report was published.

Many of the reports are available free from ETA's Office of Strategic Planning and Policy Development, Room N-5637, 200 Constitution Avenue, N.W., Washington, D.C. 20210. Most are also available in paper or microfiche through the National Technical Information Service (NTIS), Operations Division, Springfield, VA 22151, (703) 487-4650.

America and the New Economy—The American Society for Training and Development, 1991. Examines the impact of changing competitive standards, new technologies, and emerging organizational structures on jobs and skill requirements in the American workplace.
Grant Number: 99-6-0705-75-079-02
NTIS Number: PB 91-219527

Assessing the Adequacy of Labor Market Information at the State and Local Level—Northeast-Midwest Institute, 1990. Describes findings from research on the adequacy of labor market information for State and local data users in the public and private sectors.
Contract Number: 99-9-3436-75-050-01
NTIS Number: PB 91-112953

The Cyclical Effects of the Unemployment Insurance Program: Final Report (Unemployment Insurance Occasional Paper 91-3)—Metrica, Inc., 1991. Analyzes the effect of the UI program as an automatic economic stabilizer. Discusses theoretical reasons that enable the UI program to stabilize the business cycle, presents evidence of the effect of UI on the cycle, reviews literature about UI's ability to act as a stabilizer, and estimates the effect of UI on stabilizing the business cycle.
Contract Number: 99-9-4818-98-037-01
NTIS Number: PB 91-197897/AS

The Decline in Unemployment Insurance Claims Activity in the 1980s (Unemployment Insurance Occasional Paper 91-2)—The Urban Institute, 1991. Analyzes the decline in receipt of UI during the 1980s. Presents background information about the decline, reviews previous literature, describes new survey data on UI receipt, presents a statistical analysis of new survey data, and discusses some of the reasons for the decline in benefit receipt.
Ford Foundation Grant
NTIS Number: PB 91-160994/AS

Displaced Workers, 1985-89—Department of Labor, Bureau of Labor Statistics, 1991. Provides an overview of worker displacement patterns during the 1980s and describes the employment situation of workers displaced during the 1985-1989 period.
BLS Bulletin 2382

Economic Change and the American Workforce—Jobs for the Future, Inc., 1992. An executive summary of findings from a study of the economic and employment dynamics in four States that are broadly representative of the United States. Defines specific employment and training issues associated with the new economic era and provides suggestions for meeting new workplace demands.
Grant Number: 99-9-3485-98-009-02
NTIS Number: PB 92-226356 (for Executive Summary [Volume 1])
PB 91-191749 (for all four volumes)

BEST COPY AVAILABLE

The Emerging Hispanic Underclass—RAND, 1991. Describes trends in wage ratios for Hispanic men from 1971 to 1987, discusses trends in their schooling, summarizes the impact of recent Hispanic immigration on the demographics of the Hispanic population, and describes the results of a statistical analysis of the determinants of Hispanic male wages from 1971 to 1987. Part of a two-volume report. (The other volume is *Hispanics and the American Dream.*)
Contract Number: 99-8-3055-75-080-01

Flexible Employment, Contingent Work: Implications for Workers' Benefits—Columbia University, 1990. Presents findings from research on whether and how employers modify work schedules, the terms of employment, and nonwage benefits in response to changes in labor demand and labor supply conditions. Discusses various aspects of "contingent" work, which is defined as self-employment, part-time work, and temporary work.
Contract Number: 99-8-0422-75-067-01
NTIS Number: PB 92-236033

A Guide to High School Redirection—High School Redirection, 1991. Provides information about High School Redirection, an alternative high school in New York that helps dropouts or potential dropouts complete their education. Discusses the school's philosophy, student population, admissions policies, staff, administrative structure, budget, operations, and discipline. Provides information on replication efforts in seven sites.
Purchase Order Number: 99-8-4671-75-010-04
NTIS Number: PB 91-219501

Hispanics and the American Dream: An Analysis of Hispanic Male Labor Market Wages. Part of a two-volume report. See *The Emerging Hispanic Underclass.*

Job Training for the Homeless: Report on Demonstration's First Year—R.O.W. Sciences, Inc., 1991. Describes and analyzes the first year of operations of the Job Training for the Homeless Demonstration Program. Emphasizes the need for a diversified and coordinated approach to serving the needs of the homeless population.
Contract Number: 99-9-4806-79-023-01
NTIS Number: PB 92-163765

JTPA Staffing and Staff Training at the State and SDA Levels—Berkeley Planning Associates, 1991. Summarizes the educational background, experience, and skills of JTPA staff at the State and local levels and examines JTPA staff capabilities, the adequacy of existing staff training, and unmet staff training needs.
Contract Number: 99-8-3229-75-079-01
NTIS Number: PB 91-219543/AS

The Learning Disabled in Employment and Training Programs—The Urban Institute, 1991. Provides estimates of the extent to which adults eligible for JTPA and other education and employment and training programs normally identified as "functionally illiterate" are learning disabled. Discusses methods of testing and assessment to identify learning disabilities in adults and presents policy recommendations for serving this population in training and employment programs.
Contract Number: 99-9-0421-75-081-01
NTIS Number: PB 92-163781

Long-Term Earnings Effects of the National Supported Work (NSW) Experiment: Evidence for the Youth and AFDC Target Groups—University of Wisconsin, 1991. Investigates the long-term earnings effects of the National Supported Work experiment on youth and recipients of Aid to Families with Dependent Children. Extends prior evaluations of NSW's earnings effects by seven years.
Contract Number: 99-1-3605-75-001-04
NTIS Number: PB 92-239664

The New Jersey Unemployment Insurance Reemployment Demonstration Project Follow-Up Report (Unemployment Insurance Occasional Paper 91-1)—Mathematica Policy Research, Inc., 1990. Summarizes the purpose and features of the New Jersey Unemployment Insurance Reemployment Demonstration, describes the impacts of the program on UI receipt and earnings, and presents a cost-benefit analysis of the demonstration's components.
Contract Number: P31948
NTIS Number: PB 91-160838

The St. Louis Metropolitan Reemployment Project: An Impact Evaluation—Abt Associates, 1991. Estimates the net impacts of the St. Louis Metropolitan Reemployment Project, a JTPA Title III program, on participants' subsequent earnings, receipt of unemployment insurance benefits, and reemployment. Describes differences in the project's impacts based on the types of services received by program participants.
Contract Number: 99-6-0803-77-074-01

A Study of Unemployment Insurance Recipients and Exhaustees: Findings from a National Survey (Unemployment Insurance Occasional Paper 90-3)—Math-

ematica Policy Research, Inc., 1990. Examines the characteristics and behavior of UI exhaustees and nonexhaustees and explores the implications of this examination for policy formulation.
Contract Number: 99-8-0805-75-071-01
NTIS Number: PB 91-129247

What Work Requires of Schools—The Secretary's Commission on Achieving Necessary Skills, U.S. Department of Labor, 1991. Describes five competencies and a three-part foundation of skills and personal qualities with which schools must equip students to prepare them for solid job performance. Also identifies the characteristics required to transform America's schools and workplaces into high-performance organizations.
NTIS Number: PB 92-146711

What Works for Dislocated Workers: Final Report—Sociometrics, Inc., 1991. Describes 10 quality JTPA Title III projects considered exemplary based on tailored training, early intervention/advance notification, labor management cooperation, linkages to trade adjustment assistance and unemployment insurance, and services for female dislocated workers.
Contract Number: 99-8-4690-75-058-01

Workforce Quality: Perspectives from the U.S. and Japan—U.S. Department of Labor, Employment and Training Administration, 1990. Summarizes proceedings of a major symposium between Japanese and American officials. Examines successful Japanese practices used to prepare workers for a technologically advanced workplace and discusses ways to apply these practices in the United States.
ETA Publication
NTIS Number: PB 92-146539

STATISTICAL APPENDIX

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EXPLANATORY NOTES AND HISTORICAL COMPATABILITY OF DATA

This narrative provides explanatory notes for the A, B, C, and D tables of the statistical appendix and explains factors affecting the historical comparability of data.

Introduction

Statistics in the A, B, and C tables of this statistical appendix are compiled from two major sources: (1) household interviews, and (2) reports from employers.

Data in the A tables are based on household interviews which are obtained from a sample survey of the population 16 years of age and over. The survey is conducted each month by the Bureau of the Census for the U.S. Department of Labor's Bureau of Labor Statistics (BLS) and provides comprehensive data on the labor force, the employed, and the unemployed, including such characteristics as age, sex, race, family relationship, marital status, occupation, and industry attachment. The survey also provides data on the characteristics and past work experience of those not in the labor force. The information is collected by trained interviewers from a sample of about 60,000 households, representing 729 areas in 1,973 counties and independent cities, with coverage in 50 States and the District of Columbia. The data collected are based on the activity or status reported for the calendar week including the 12th of the month.

Data in the B and C tables are based on establishment records which are compiled each month by the Bureau of Labor Statistics, in cooperation with State agencies. The establishment survey is designed to provide industry information on nonfarm wage and salary employment and average weekly earnings for the Nation, States, and metropolitan areas. The employment, hours, and earnings series are currently based on payroll reports from a sample of over 370,000 establishments employing over 45 million nonfarm wage and salary workers. The data relate to all workers, full- or part-time, who receive pay during the payroll period which includes the 12th day of the month.

Data in the D tables present projections of the U.S. labor force for the period 1992-2005. The Bureau of Labor Statistics offers three possible labor force outlooks, based on low-, moderate-, and high-growth assumptions. Although several tables presented in this publication focus on the middle of the three alternatives, which assumes moderate growth, this should not be interpreted as suggesting any greater expectation that the moderate-growth scenario is more likely.

Relation Between the Household and Establishment Series

The household and establishment data supplement one another, each providing significant types of information that the other cannot suitably supply. Population characteristics, for example, are readily obtained only from the household survey whereas detailed industrial classifications can be reliably derived only from establishment reports.

Data from these two sources differ from each other because of differences in definitions and coverage, sources of information, methods of collection, and estimating procedures. Sampling variability and response errors are additional reasons for discrepancies. The major factors which have a differential effect on the levels and trends of the two series are employment, hours of work, and earnings. These are described below.

Employment

A number of factors must be taken into consideration when reviewing statistics on employment: coverage, multiple jobholding, and unpaid absences from jobs.

Coverage. The household survey definition of employment comprises wage and salary workers (including domestics and other private household workers), self-employed persons, and unpaid workers who worked 15 hours or more during the survey week in family-operated enterprises. Employment in both agricultural and nonagricultural industries is included. The payroll survey covers only wage and salary employees on the payrolls of nonfarm establishments.

Multiple jobholding. The household survey provides information on the work status of the population without duplication, since each person is classified as employed, unemployed, or not in the labor force. Employed persons holding more than one job are counted only once and are classified according to the job at which they worked the greatest number of hours during the survey week. In the figures based on establishment reports, persons who worked in more than one establishment during the reporting period are counted each time their names appear on payrolls.

Unpaid absences from jobs. The household survey includes among the employed all civilians who had jobs but were not at work during the survey week—that is, were not working but had jobs from which they were temporarily absent because of illness, bad weather, vacation, or labor-management disputes, or because they were taking time off for various other reasons, even if they were not paid by their employers for the time off. In the figures based on payroll reports, persons on leave paid for by the company are included, but not those on leave without pay for the entire payroll period.

For a comprehensive discussion of the differences between household and establishment survey employment data, see Gloria P. Green's article, "Comparing Employment Estimates from Household and Payroll Surveys," *Monthly Labor Review*, December 1969.

Hours of Work

The household survey measures hours actually worked whereas the payroll survey measures hours paid for by employers. In the household survey data, all persons with a job but not at work are excluded from the hours distributions and the computations of average hours. In the payroll survey, production or nonsupervisory employees on paid vacation, paid holiday, or paid sick leave are included and assigned the number of hours for which they were paid during the reporting period.

Earnings

The household survey measures median earnings of wage and salary workers in all occupations and industries in both the private and public sectors. Data refer to the usual earnings received from the worker's sole or primary job. Data from the establishment survey generally refer to average earnings of production and related workers in mining and manufacturing, construction workers in construction, and nonsupervisory employees in the private service-producing industries. For a comprehensive discussion of the household survey earnings series, see *Technical Description of the Quarterly Data on Weekly Earnings from the Current Population Survey*, BLS Bulletin 2113.

Historical Comparability

This section describes factors that affect the historical comparability of data.

Change in Lower Age Limit

The lower age limit for official statistics on the labor force, employment, and unemployment was raised from 14 to 16 years of age in January 1967. Insofar as possible, historical series have been revised to provide consistent information based on the population 16 years and over. For a detailed discussion of this and other definitional changes introduced at that time, including estimates of their effect on the various series, see "New Definitions for Employment and Unemployment," *Employment and Earnings and Monthly Report on the Labor Force*, February 1967.

Noncomparability of Labor Force Levels

In addition to the changes introduced in 1967, several other periods of noncomparability occurred in the labor force data. Major periods since 1960 are as follows:

(1) Beginning in 1960, the inclusion of Alaska and Hawaii resulted in an increase of about 500,000 in the population and about 300,000 in the labor force. Four-fifths of this increase was in nonagricultural employment; other labor force categories were not appreciably affected. (2) Beginning in 1962, the introduction of data from the 1960 census reduced the population by about 50,000 and labor force and employment by about 200,000; unemployment totals were virtually unchanged. (3) Beginning in 1972, information from the 1970 census was introduced into the estimation procedures, increasing the population by about 800,000; labor force and employment totals were raised by a little more than 300,000 and unemployment levels and rates were essentially unchanged. (4) A subsequent population adjustment based on the 1970 census was introduced in March 1973. This adjustment added 60,000 to the labor force and employment totals; unemployment levels and rates were not significantly affected.

Beginning in January 1978, the introduction of an expansion in the sample and revisions in the estimation procedures resulted in an increase of about 250,000 in the civilian labor force and employment totals; unemployment levels and rates were essentially unchanged.

Beginning in January 1982, the second-stage ratio adjustment methodology was changed in the Current Population Survey estimation procedure. In addition, current population estimates used in the second-stage estimation procedure are derived from information obtained from the 1980 census, rather than the 1970 census. This change caused substantial increases in total population and estimates of persons in all labor force categories. Rates for labor force characteristics, however, remained virtually unchanged. Some 30,000 labor force series were adjusted back to 1970 to avoid major breaks in series.

Beginning in January 1986, the introduction of revised population controls added 400,000 to the population and labor force estimates and 350,000 to the employment total. Unemployment levels and rates were not significantly affected.

Labor Force Projections

The D tables in this publication present projections of the U.S. labor force for the period 1992-2005. The U.S. Department of Labor's Bureau of Labor Statistics offers three possible labor force outlooks, based on low-, moderate-, and high-growth assumptions. Although several tables presented in this publication focus on the middle of the three alternatives, which assumes moderate growth, this should not be interpreted as suggesting any greater expectation that the moderate-growth scenario is more likely. Past evaluations have shown that some elements of the projections will follow one growth path, while other variables will follow another. Some assumptions will certainly fall outside the range shown in the tables. It is impossible to know which of the three outcomes is more likely, either completely or for any particular element in the projections.

Alternative Assumptions

Users of the Bureau of Labor Statistics projections should keep in mind that economic and employment projections are filled with uncertainty. Many assumptions must be made regarding the probable behavior of a broad range of variables that will affect the future course of the U.S. economy. We may be reasonably certain about some of these assumptions, such as the size of the youth population cohort. Other assumptions, such as net annual immigration which has a significant effect on population estimates, are subject to a considerable amount of uncertainty. BLS alternative projections for net immigration range from 880,000 persons to 1,370,000 persons annually over the 1992-2005 period. The projection of women's labor force participation rates—which has been a major source of error in previous projections—assumes a range of 61.4 percent to 65.0 percent in the current alternative scenarios.

What effects do these alternative assumptions have on the projection results? The range in the size of the labor force in 2005 between the low and the high projections is nine million.

Table A-1. Employment status of the civilian noninstitutional population 16 years and over, 1960-92 annual averages
(Numbers in thousands)

Year	Civilian noninstitutional population	Civilian labor force							Not in labor force
		Total	Percent of population	Employed			Unemployed		
				Total	Agriculture	Nonagricultural industries	Number	Percent of labor force	
1960[a]	117,245	69,628	59.4	65,778	5,458	60,318	3,852	5.5	47,617
1961	118,771	70,459	59.3	65,746	5,200	60,546	4,714	6.7	48,312
1962[a]	120,153	70,614	58.8	66,702	4,944	61,759	3,911	5.5	49,539
1963	122,416	71,833	58.7	67,762	4,687	63,076	4,070	5.7	50,583
1964	124,485	73,091	58.7	69,305	4,523	64,782	3,786	5.2	51,394
1965	126,513	74,455	58.9	71,088	4,361	66,726	3,366	4.5	52,058
1966	128,058	75,770	59.2	72,895	3,979	68,915	2,875	3.8	52,288
1967	129,874	77,347	59.6	74,372	3,844	70,527	2,975	3.8	52,527
1968	132,028	78,737	59.6	75,920	3,817	72,103	2,817	3.6	53,291
1969	134,335	80,734	60.1	77,902	3,606	74,296	2,832	3.5	53,602
1970	137,085	82,771	60.4	78,678	3,463	75,215	4,093	4.9	54,315
1971	140,216	84,382	60.2	79,367	3,394	75,972	5,016	5.9	55,834
1972[a]	144,126	87,034	60.4	82,153	3,484	78,669	4,882	5.6	57,091
1973[a]	147,096	89,429	60.8	85,064	3,470	81,594	4,365	4.9	57,667
1974	150,120	91,949	61.3	86,794	3,515	83,279	5,156	5.6	58,171
1975	153,153	93,775	61.2	85,846	3,408	82,438	7,929	8.5	59,377
1976	156,150	96,158	61.6	88,752	3,331	85,421	7,406	7.7	59,991
1977	159,033	99,009	62.3	92,017	3,283	88,734	6,991	7.1	60,025
1978[a]	161,910	102,251	63.2	96,048	3,387	92,661	6,202	6.1	59,659
1979	164,863	104,962	63.7	98,824	3,347	95,477	6,137	5.8	59,900
1980	167,745	106,940	63.8	99,303	3,364	95,938	7,637	7.1	60,806
1981	170,130	108,670	63.9	100,397	3,368	97,030	8,273	7.6	61,460
1982	172,271	110,204	64.0	99,526	3,401	96,125	10,678	9.7	62,067
1983	174,215	111,550	64.0	100,834	3,383	97,450	10,717	9.6	62,665
1984	176,383	113,544	64.4	105,005	3,321	101,685	8,539	7.5	62,839
1985	178,206	115,461	64.8	107,150	3,179	103,971	8,312	7.2	62,744
1986[a]	180,587	117,834	65.3	109,597	3,163	106,434	8,237	7.0	62,752
1987	182,753	119,865	65.6	112,440	3,208	109,232	7,425	6.2	62,888
1988	184,613	121,669	65.9	114,968	3,169	111,800	6,701	5.5	62,944
1989	186,393	123,869	66.5	117,342	3,199	114,142	6,528	5.3	62,523
1990	188,049	124,787	66.4	117,914	3,186	114,728	6,874	5.5	63,262
1991	189,765	125,303	66.0	116,877	3,233	113,644	8,426	6.7	64,462
1992	191,576	126,982	66.3	117,598	3,207	114,391	9,384	7.4	64,593

[a] Not strictly comparable with prior years. For an explanation, see "Note on Historical Comparability" at the beginning of this Appendix.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table A-2. Employment status of the civilian noninstitutional population 16 years and over by sex, 1981-92 annual averages
(Numbers in thousands)

Year	Civilian noninstitutional population	Civilian labor force							Not in labor force
		Total	Percent of population	Employed			Unemployed		
				Total	Agriculture	Nonagricultural industries	Number	Percent of labor force	
	Men								
1981	80,511	61,974	77.0	57,397	2,700	54,697	4,577	7.4	18,537
1982	81,523	62,450	76.6	56,271	2,736	53,534	6,179	9.9	19,073
1983	82,531	63,047	76.4	56,787	2,704	54,083	6,260	9.9	19,484
1984	83,605	63,835	76.4	59,091	2,668	56,423	4,744	7.4	19,771
1985	84,469	64,411	76.3	59,891	2,535	57,356	4,521	7.0	20,058
1986[a] ...	85,798	65,422	76.3	60,892	2,511	58,381	4,530	6.9	20,376
1987	86,899	66,207	76.2	62,107	2,543	59,564	4,101	6.2	20,692
1988	87,857	66,927	76.2	63,273	2,493	60,780	3,655	5.5	20,930
1989	88,762	67,840	76.4	64,315	2,513	61,802	3,525	5.2	20,923
1990	89,650	68,234	76.1	64,435	2,507	61,928	3,799	5.6	21,417
1991	90,552	68,411	75.5	63,593	2,552	61,041	4,817	7.0	22,141
1992	91,541	69,184	75.6	63,805	2,534	61,270	5,380	7.8	22,356
	Women								
1981	89,618	46,696	52.1	43,000	667	42,333	3,696	7.9	42,922
1982	90,748	47,755	52.6	43,256	665	42,591	4,499	9.4	42,993
1983	91,684	48,503	52.9	44,047	680	43,367	4,457	9.2	43,181
1984	92,778	49,709	53.6	45,915	653	45,262	3,794	7.6	43,068
1985	93,736	51,050	54.5	47,259	644	46,615	3,791	7.4	42,686
1986[a] ...	94,789	52,413	55.3	48,706	652	48,054	3,707	7.1	42,376
1987	95,853	53,658	56.0	50,334	666	49,668	3,324	6.2	42,195
1988	96,756	54,742	56.6	51,696	676	51,020	3,046	5.6	42,014
1989	97,630	56,030	57.4	53,027	687	52,341	3,003	5.4	41,601
1990	98,399	56,554	57.5	53,479	679	52,800	3,075	5.4	41,845
1991	99,214	56,893	57.3	53,284	682	52,602	3,609	6.3	42,321
1992	100,035	57,798	57.8	53,793	673	53,121	4,005	6.9	42,237

[a] Not strictly comparable with prior years. For an explanation, see "Note on Historical Comparability" at the beginning of this Appendix.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table B1. Employees on nonfarm payrolls, total and goods-producing industries, 1960-92 annual averages
(In thousands)

Year	Total	Total private	Goods-producing			
			Total	Mining	Construction	Manufacturing
1960	54,189	45,836	20,434	712	2,926	16,796
1961	53,999	45,404	19,857	672	2,859	16,326
1962	55,549	46,660	20,451	650	2,948	16,853
1963	56,653	47,429	20,640	635	3,010	16,995
1964	58,283	48,686	21,005	634	3,097	17,274
1965	60,765	50,689	21,926	632	3,232	18,062
1966	63,901	53,116	23,158	627	3,317	19,214
1967	65,803	54,413	23,308	613	3,248	19,447
1968	67,897	56,058	23,737	606	3,350	19,781
1969	70,384	58,189	24,361	619	3,575	20,167
1970	70,880	58,325	23,578	623	3,588	19,367
1971	71,214	58,331	22,935	609	3,704	18,623
1972	73,675	60,341	23,668	628	3,889	19,151
1973	76,790	63,058	24,893	642	4,097	20,154
1974	78,265	64,095	24,794	697	4,020	20,077
1975	76,945	62,259	22,600	752	3,525	18,323
1976	79,382	64,511	23,352	779	3,576	18,997
1977	82,471	67,344	24,346	813	3,851	19,682
1978	86,697	71,026	25,585	851	4,229	20,505
1979	89,823	73,876	26,461	958	4,463	21,040
1980	90,406	74,166	25,658	1,027	4,346	20,285
1981	91,152	75,121	25,497	1,139	4,188	20,170
1982	89,544	73,707	23,812	1,128	3,904	18,780
1983	90,152	74,282	23,330	952	3,946	18,432
1984	94,408	78,384	24,718	966	4,380	19,372
1985	97,387	80,992	24,842	927	4,668	19,248
1986	99,344	82,651	24,533	777	4,810	18,947
1987	101,958	84,948	24,674	717	4,958	18,999
1988	105,210	87,824	25,125	713	5,098	19,314
1989	107,895	90,117	25,254	692	5,171	19,391
1990	109,419	91,115	24,905	709	5,120	19,076
1991	108,256	89,854	23,745	689	4,650	18,406
1992	108,519	89,866	23,142	631	4,471	18,040

Note: Data presented in Table B-1 are from the establishment survey. Data for 1981-1991 may differ from those previously published because of revisions to reflect new benchmarks and historical corrections. These estimates are currently projected from March 1992 benchmark levels. When more recent benchmark data are introduced, data beginning April 1992 are subject to revision.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table B-2. Employees on nonfarm payrolls of service-producing industries, 1960-92 annual averages
(In thousands)

Year	Service-producing								
	Total	Transportation public utilities	Wholesale trade	Retail trade	Finance, insurance and real estate	Services	Government		
							Federal	State	Local
1960	33,755	4,004	3,153	8,238	2,628	7,378	2,270	1,536	4,547
1961	34,142	3,903	3,142	8,195	2,688	7,619	2,279	1,607	4,708
1962	35,098	3,906	3,207	8,359	2,754	7,982	2,340	1,668	4,881
1963	36,013	3,903	3,258	8,520	2,830	8,277	2,358	1,747	5,121
1964	37,278	3,951	3,347	8,812	2,911	8,660	2,348	1,856	5,392
1965	38,839	4,036	3,477	9,239	2,977	9,036	2,378	1,996	5,700
1966	40,743	4,158	3,608	9,637	3,058	9,498	2,564	2,141	6,080
1967	42.495	4,268	3,700	9,906	3,185	10,045	2,719	2,302	6,371
1968	44,160	4,318	3,791	10,308	3,337	10,567	2,737	2,442	6,660
1969	46,023	4,442	3,919	10,785	3,512	11,169	2,758	2,533	6,904
1970	47,302	4,515	4,006	11,034	3,645	11,548	2,731	2,664	7,158
1971	48,278	4,476	4,014	11,338	3,772	11,797	2,696	2,747	7,437
1972	50,007	4,541	4,127	11,822	3,908	12,276	2,684	2,859	7,790
1973	51,897	4,656	4,291	12,315	4,046	12,857	2,663	2,923	8,146
1974	53,471	4,725	4,447	12,539	4,148	13,441	2,724	3,039	8,407
1975	54,345	4,542	4,430	12,630	4,165	13,892	2,748	3,179	8,758
1976	56,030	4,582	4,562	13,193	4,271	14,551	2,733	3,273	8,865
1977	58,125	4,713	4,723	13,792	4,467	15,302	2,727	3,377	9,023
1978	61,113	4,923	4,985	14,556	4,724	16,252	2,753	3,474	9,446
1979	63,363	5,136	5,221	14,972	4,975	17,112	2,773	3,541	9,633
1980	64,748	5,146	5,292	15,018	5,160	17,890	2,866	3,610	9,765
1981	65,655	5,165	5,375	15,171	5,298	18,615	2,772	3,640	9,619
1982	65,732	5,081	5,295	15,158	5,340	19,021	2,739	3,640	9,458
1983	66,821	4,952	5,283	15,587	5,466	19,664	2,774	3,662	9,434
1984	69,690	5,156	5,568	16,512	5,684	20,746	2,807	3,734	9,482
1985	72,544	5,233	5,727	17,315	5,948	21,927	2,875	3,832	9,687
1986	74,811	5,247	5,761	17,880	6,273	22,957	2,899	3,893	9,901
1987	77,284	5,362	5,848	18,422	6,533	24,110	2,943	3,967	10,100
1988	80,086	5,514	6,030	19,023	6,630	25,504	2,971	4,076	10,339
1989	82,642	5,625	6,187	19,475	6,668	26,907	2,988	4,182	10,609
1990	84,514	5,793	6,173	19,601	6,709	27,934	3,085	4,305	10,914
1991	84,511	5,762	6,081	19,284	6,646	28,336	2,966	4,346	11,081
1992	85,377	5,709	6,045	19,346	6,571	29,053	2,969	4,371	11,281

Note: Data presented in Table B-2 are from the establishment survey. Data for 1981-1991 may differ from those previously published because of revisions to reflect new benchmarks and historical corrections. These estimates are currently projected from March 1992 benchmark levels. When more recent benchmark data are introduced, data beginning April 1992 are subject to revision.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table C-1. Average hours and earnings of production or nonsupervisory workers[a] on private nonfarm payrolls by major industry, 1964-92 annual averages

Year	Total private[a]			Mining			Construction		
	Weekly hours	Hourly earnings	Weekly earnings	Weekly hours	Hourly earnings	Weekly earnings	Weekly hours	Hourly earnings	Weekly earnings
1964......	38.7	$2.36	$91.33	41.9	$2.81	$117.74	37.2	$3.55	$132.06
1965......	38.8	2.46	95.45	42.3	2.92	123.52	37.4	3.70	138.38
1966......	38.6	2.56	98.82	42.7	3.05	130.24	37.6	3.89	146.26
1967......	38.0	2.68	101.84	42.6	3.19	135.89	37.7	4.11	154.95
1968......	37.8	2.85	107.73	42.6	3.35	142.71	37.3	4.41	164.49
1969......	37.7	3.04	114.61	43.0	3.60	154.80	37.9	4.79	181.54
1970......	37.1	3.23	119.83	42.7	3.85	164.40	37.3	5.24	195.45
1971......	36.9	3.45	127.31	42.4	4.06	172.14	37.2	5.69	211.67
1972......	37.0	3.70	136.90	42.6	4.44	189.14	36.5	6.06	221.19
1973......	36.9	3.94	145.39	42.4	4.75	201.40	36.8	6.41	235.89
1974......	36.5	4.24	154.76	41.9	5.23	219.14	36.6	6.81	249.25
1975......	36.1	4.53	163.53	41.9	5.95	249.31	36.4	7.31	266.08
1976......	36.1	4.86	175.45	42.4	6.46	273.90	36.8	7.71	283.73
1977......	36.0	5.25	189.00	43.4	6.94	301.20	36.5	8.10	295.65
1978......	35.8	5.69	203.70	43.4	7.67	332.88	36.8	8.66	318.69
1979......	35.7	6.16	219.91	43.0	8.49	365.07	37.0	9.27	342.99
1980......	35.3	6.66	235.10	43.3	9.17	397.06	37.0	9.94	367.78
1981......	35.2	7.25	255.20	43.7	10.04	438.75	36.9	10.82	399.26
1982......	34.8	7.68	267.26	42.7	10.77	459.88	36.7	11.63	426.82
1983......	35.0	8.02	280.70	42.5	11.28	479.40	37.1	11.94	442.97
1984......	35.2	8.32	292.86	43.3	11.63	503.58	37.8	12.13	458.51
1985......	34.9	8.57	299.09	43.4	11.98	519.93	37.7	12.32	464.46
1986......	34.8	8.76	304.85	42.2	12.46	525.81	37.4	12.48	466.75
1987......	34.8	8.98	312.50	42.4	12.54	531.70	37.8	12.71	480.44
1988......	34.7	9.28	322.02	42.3	12.80	541.44	37.9	13.08	495.73
1989......	34.6	9.66	334.24	43.0	13.26	570.18	37.9	13.54	513.17
1990......	34.5	10.01	345.35	44.1	13.68	603.29	38.2	13.77	526.01
1991......	34.3	10.32	353.98	44.4	14.19	630.04	38.1	14.00	533.40
1992......	34.4	10.58	363.95	43.9	14.54	638.31	38.0	14.15	537.70

See footnotes at end of table.

Table C-1. Average hours and earnings of production or nonsupervisory workers[a] on private nonfarm payrolls by major industry, 1964-92 annual averages (continued)

Year	Manufacturing				Transportation and public utilities			Wholesale trade		
	Weekly hours	Hourly earnings	Hourly earnings excluding overtime	Weekly earnings	Weekly hours	Hourly earnings	Weekly earnings	Weekly hours	Hourly earnings	Weekly earnings
1964......	40.7	$2.53	$2.43	$102.97	41.1	$2.89	$118.78	40.7	$2.52	$102.56
1965......	41.2	2.61	2.50	107.53	41.3	3.03	125.14	40.8	2.60	106.08
1966......	41.4	2.71	2.59	112.19	41.2	3.11	128.13	40.7	2.73	111.11
1967......	40.6	2.82	2.71	114.49	40.5	3.23	130.82	40.3	2.87	115.66
1968......	40.7	3.01	2.88	122.51	40.6	3.42	138.85	40.1	3.04	121.90
1969......	40.6	3.19	3.05	129.51	40.7	3.63	147.74	40.2	3.23	129.85
1970......	39.8	3.35	3.23	133.33	40.5	3.85	155.93	39.9	3.43	136.86
1971......	39.9	3.57	3.45	142.44	40.1	4.21	168.82	39.4	3.64	143.42
1972......	40.5	3.82	3.66	154.71	40.4	4.65	187.86	39.4	3.85	151.69
1973......	40.7	4.09	3.91	166.46	40.5	5.02	203.31	39.2	4.07	159.54
1974......	40.0	4.42	4.25	176.80	40.2	5.41	217.48	38.8	4.38	169.94
1975......	39.5	4.83	4.67	190.79	39.7	5.88	233.44	38.6	4.72	182.19
1976......	40.1	5.22	5.02	209.32	39.8	6.45	256.71	38.7	5.02	194.27
1977......	40.3	5.68	5.44	228.90	39.9	6.99	278.90	38.8	5.39	209.13
1978......	40.4	6.17	5.91	249.27	40.0	7.57	302.80	38.8	5.88	228.14
1979......	40.2	6.70	6.43	269.34	39.9	8.16	325.58	38.8	6.39	247.93
1980......	39.7	7.27	7.02	288.62	39.6	8.87	351.25	38.4	6.95	266.88
1981......	39.8	7.99	7.72	318.00	39.4	9.70	382.18	38.5	7.55	290.68
1982......	38.9	8.49	8.25	330.26	39.0	10.32	402.48	38.3	8.08	309.46
1983......	40.1	8.83	8.52	354.08	39.0	10.79	420.81	38.5	8.54	328.79
1984......	40.7	9.19	8.82	374.03	39.4	11.12	438.13	38.5	8.88	341.88
1985......	40.5	9.54	9.16	386.37	39.5	11.40	450.30	38.4	9.15	351.36
1986......	40.7	9.73	9.34	396.01	39.2	11.70	458.64	38.3	9.34	357.72
1987......	41.0	9.91	9.48	406.31	39.2	12.03	471.58	38.1	9.59	365.38
1988......	41.1	10.19	9.73	418.81	38.8	12.26	475.69	38.1	9.98	380.24
1989......	41.0	10.48	10.02	429.68	38.9	12.60	490.14	38.0	10.39	394.82
1990......	40.8	10.83	10.37	441.86	38.9	12.97	504.53	38.1	10.79	411.10
1991......	40.7	11.18	10.71	455.03	38.7	13.22	511.61	38.1	11.15	424.82
1992......	41.0	11.46	10.95	469.86	38.9	13.46	523.59	38.2	11.39	435.10

See footnotes at end of table.

Table C-1. Average hours and earnings of production or nonsupervisory workers[a] on private nonfarm payrolls by major industry, 1964-92 annual averages (continued)

Year	Retail trade			Finance, insurance and real estate			Services		
	Weekly hours	Hourly earnings	Weekly earnings	Weekly hours	Hourly earnings	Weekly earnings	Weekly hours	Hourly earnings	Weekly earnings
1964......	37.0	$1.75	$64.75	37.3	$2.30	$85.79	36.1	$1.94	$70.03
1965......	36.6	1.82	66.61	37.2	2.39	88.91	35.9	2.05	73.60
1966......	35.9	1.91	68.57	37.3	2.47	92.13	35.5	2.17	77.04
1967......	35.3	2.01	70.95	37.1	2.58	95.72	35.1	2.29	80.38
1968......	34.7	2.16	74.95	37.0	2.75	101.75	34.7	2.42	83.97
1969......	34.2	2.30	78.66	37.1	2.93	108.70	34.7	2.61	90.57
1970......	33.8	2.44	82.47	36.7	3.07	112.67	34.4	2.81	96.66
1971......	33.7	2.60	87.62	36.6	3.22	117.85	33.9	3.04	103.06
1972......	33.4	2.75	91.85	36.6	3.36	122.98	33.9	3.27	110.85
1973......	33.1	2.91	96.32	36.6	3.53	129.20	33.8	3.47	117.29
1974......	32.7	3.14	102.68	36.5	3.77	137.61	33.6	3.75	126.00
1975......	32.4	3.36	108.86	36.5	4.06	148.19	33.5	4.02	134.67
1976......	32.1	3.57	114.60	36.4	4.27	155.43	33.3	4.31	143.52
1977......	31.6	3.85	121.66	36.4	4.54	165.26	33.0	4.65	153.45
1978......	31.0	4.20	130.20	36.4	4.89	178.00	32.8	4.99	163.67
1979......	30.6	4.53	138.62	36.2	5.27	190.77	32.7	5.36	175.27
1980......	30.2	4.88	147.38	36.2	5.79	209.60	32.6	5.85	190.71
1981......	30.1	5.25	158.03	36.3	6.31	229.05	32.6	6.41	208.97
1982......	29.9	5.48	163.85	36.2	6.78	245.44	32.6	6.92	225.59
1983......	29.8	5.74	171.05	36.2	7.29	263.90	32.7	7.31	239.04
1984......	29.8	5.85	174.33	36.5	7.63	278.50	32.6	7.59	247.43
1985......	29.4	5.94	174.64	36.4	7.94	289.02	32.5	7.90	256.75
1986......	29.2	6.03	176.08	36.4	8.36	304.30	32.5	8.18	265.85
1987......	29.2	6.12	178.70	36.3	8.73	316.90	32.5	8.49	275.93
1988......	29.1	6.31	183.62	35.9	9.06	325.25	32.6	8.88	289.49
1989......	28.9	6.53	188.72	35.8	9.53	341.17	32.6	9.38	305.79
1990......	28.8	6.75	194.40	35.8	9.97	356.93	32.5	9.83	319.48
1991......	28.6	6.94	198.48	35.7	10.39	370.92	32.4	10.23	331.45
1992......	28.8	7.13	205.34	35.8	10.82	387.36	32.5	10.55	342.88

[a] Data relate to production workers in mining and manufacturing; construction workers in construction; and nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services.

Note: Data presented in Table C-1 are from the establishment survey. Data for 1991 may differ slightly from those previously published because of revisions to reflect new benchmarks. These estimates are currently projected from March 1992 benchmark levels. When more recent benchmark data are introduced, data beginning April 1992 are subject to revision.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table D-1. Civilian labor force by sex, age, race, and Hispanic origin, 1979 and 1992, and moderate growth projection to 2005
(Numbers in Thousands)

Group	Level			Change		Percent change		Percent distribution			Annual labor force growth rate (percent)	
	1979	1992	2005	1979-1992	1992-2005	1979-1992	1992-2005	1979	1992	2005	1979-1992	1992-2005
Total, 16 years and older	104,962	126,982	150,516	22,020	23,534	21.0	18.5	100.0	100.0	100.0	1.5	1.3
16 to 24	25,407	20,454	24,127	-4,953	3,673	-19.5	18.0	24.2	16.1	16.0	-1.7	1.3
25 to 54	64,520	91,097	105,054	26,577	13,957	41.2	15.3	61.5	71.7	69.8	2.7	1.1
55 and older	15,034	15,432	21,335	398	5,903	2.6	38.3	14.3	12.2	14.2	.2	2.5
Men, 16 years and older	60,726	69,184	78,718	8,458	9,534	13.9	13.8	57.9	54.5	52.3	1.0	1.0
Women, 16 years and older	44,235	57,798	71,798	13,563	14,000	30.7	24.2	42.1	45.5	47.7	2.1	1.7
White, 16 years and older	91,923	108,526	124,847	16,603	16,321	18.1	15.0	87.6	85.5	82.9	1.3	1.1
Black, 16 years and older	10,678	13,891	17,395	3,213	3,504	30.1	25.2	10.2	10.9	11.6	2.0	1.7
Asian and other, 16 years and older[a]	2,361	4,565	8,274	2,204	3,709	93.4	81.2	2.2	3.6	5.5	5.2	4.7
Hispanic, 16 years and older[b]	(c)	10,131	16,581	(c)	6,450	(c)	63.7	(c)	8.0	11.0	4.3[d]	3.9
Other than Hispanic, 16 years and older	(c)	116,851	133,935	(c)	17,084	(c)	14.6	(c)	92.0	89.0	1.1[d]	1.1
White, non-Hispanic	(c)	98,819	109,753	(c)	10,934	(c)	11.1	(c)	77.8	72.9	.9[d]	.8

[a] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historic data are derived by subtracting "Black" from the "Black and other" group; projections are made directly, not by subtraction.

[b] Persons of Hispanic origin may be of any race.

[c] Data on Hispanic origin were not available before 1980.

[d] Data are for 1980-92.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table D-2. Civilian labor force participation rates by sex, age, race, and Hispanic origin, 1979 and 1992, and moderate growth projection to 2005
(Percent)

Group	Participation rate			Annual growth rate	
	1979	1992	2005	1979-1992	1992-2005
Total, 16 years and older	63.7	66.3	68.8	1.5	1.3
Men, 16 years and older	77.8	75.6	74.7	1.0	1.0
16 to 19	61.5	41.1	55.5	-2.8	2.1
20 to 24	86.4	83.3	84.4	-1.3	.9
25 to 34	95.3	93.8	93.5	1.3	-1.2
35 to 44	95.7	93.8	93.5	3.6	.6
45 to 54	91.4	90.8	90.2	1.5	3.1
55 to 64	72.8	67.0	69.7	-.6	2.8
65 and older	19.9	16.1	14.7	.5	.5
Women, 16 years and older	50.9	57.8	63.2	2.1	1.7
16 to 19	54.2	49.2	52.4	-2.6	2.1
20 to 24	69.0	71.2	73.6	-.9	.8
25 to 34	63.9	74.1	80.7	2.4	-.5
35 to 44	63.6	76.8	86.2	5.0	1.5
45 to 54	58.3	72.7	82.8	3.1	4.1
55 to 64	41.7	46.6	52.4	.7	3.2
65 and older	8.3	8.3	8.8	1.9	1.3
White, 16 years and older	63.9	66.7	69.5	1.3	1.1
Black, 16 years and older	61.4	63.3	66.2	2.0	1.7
Asian and other, 16 years and older[a]	66.1	65.6	66.6	5.2	4.7
Hispanic, 16 years and older[b]	(c)	66.5	68.4	4.3[d]	3.9

[a] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historical data are derived by subtracting "black" from the "black and other" group; projections are made directly, not by subtraction.

[b] Persons of Hispanic origin may be of any race.

[c] Data for Hispanic origin were not available before 1980.

[d] Data are for 1980-92.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table D-3. Civilian noninstitutional population by sex, age, race, and Hispanic origin, 1979 and 1992, and moderate growth projection to 2005 (Numbers in thousands)

Group	Level			Change		Annual growth rate (percent)		Percent distribution		
	1979	1992	2005	1979-1992	1992-2005	1979-1992	1992-2005	1979	1992	2005
Total, 16 years and older	164,863	191,576	218,861	26,713	27,285	1.2	1.0	100.0	100.0	100.0
16 to 24	37,011	30,931	35,739	-6,080	4,808	-1.4	1.1	22.4	16.1	16.3
25 to 54	82,876	108,847	119,653	25,971	10,806	2.1	.7	50.3	56.8	54.7
55 and older	44,977	51,798	63,469	6,821	11,671	1.1	1.6	27.3	27.0	29.0
Men, 16 years and older	78,020	91,541	105,340	13,521	13,799	1.2	1.1	47.3	47.8	48.1
16 to 24	18,183	15,347	17,941	-2,836	2,594	-1.3	1.2	11.0	8.0	8.2
25 to 54	40,183	53,330	58,682	13,147	5,352	2.2	.7	24.4	27.8	26.8
55 and older	19,653	22,864	28,717	3,211	5,853	1.2	1.8	11.9	11.9	13.1
Women, 16 years and older	86,843	100,035	113,521	13,192	13,486	1.1	1.0	52.7	52.2	51.9
16 to 24	18,827	15,584	17,798	-3,243	2,214	-1.4	1.0	11.4	8.1	8.1
25 to 54	42,693	55,517	60,971	12,824	5,454	2.0	.7	25.9	29.0	27.9
55 and older	25,324	28,934	34,751	3,610	5,817	1.0	1.4	15.4	15.1	15.9
White, 16 years and older	143,894	162,658	179,763	18,764	17,105	.9	.8	87.3	84.9	82.1
Black, 16 years and older	17,397	21,958	26,288	4,561	4,330	1.8	1.4	10.6	11.5	12.0
Asian and other, 16 years and older[a]	3,572	6,961	12,420	3,389	5,459	5.3	4.6	2.2	3.6	5.7
Hispanic, 16 years and older[b]	([c])	15,244	24,240	([c])	8,996	([c])	3.6	([c])	8.0	11.1

[a] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historical data are derived by subtracting "black" from the "black and other" group; projections are made directly, not by subtraction.

[b] Persons of Hispanic origin may be of any race.

[c] Data for Hispanic origin were not available before 1980.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table D-4. Civilian labor force, 1992 and projected to 2005, and projected entrants and leavers, 1992-2005

Group	Labor force, 1992	Entrants, 1992-2005	Leavers 1992-2005	Labor force, 2005
Number (in thousands)				
Total	126,982	51,215	27,681	150,516
Men	69,184	25,125	15,591	78,718
Women	57,798	26,090	12,090	71,798
White, non-Hispanic	98,817	33,384	22,448	109,753
Men	53,995	16,107	12,884	57,218
Women	44,822	17,278	9,564	52,535
Black, non-Hispanic	13,694	6,096	3,160	16,630
Men	6,786	2,881	1,505	8,163
Women	6,908	3,215	1,656	8,467
Hispanic origin	10,131	7,801	1,352	16,581
Men	6,091	4,339	802	9,628
Women	4,040	3,462	550	6,953
Asian and other, non-Hispanic	4,340	3,933	721	7,552
Men	2,312	1,798	401	3,709
Women	2,028	2,135	320	3,843
Share (percent)				
Total	100.0	100.0	100.0	100.0
Men	54.5	49.1	56.3	52.3
Women	45.5	50.9	43.7	47.7
White, non-Hispanic	77.8	65.2	81.1	72.9
Men	42.5	31.4	46.5	38.0
Women	35.3	33.7	34.6	34.9
Black, non-Hispanic	10.8	11.9	11.4	11.0
Men	5.3	5.6	5.4	5.4
Women	5.4	6.3	6.0	5.6
Hispanic origin	8.0	15.2	4.9	11.0
Men	4.8	8.5	2.9	6.4
Women	3.2	6.8	2.0	4.6
Asian and other, non-Hispanic	3.4	7.7	2.6	5.0
Men	1.8	3.5	1.4	2.5
Women	1.6	4.2	1.2	2.6

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table D-5. Median age of the labor force, by sex, race, and Hispanic origin, 1962-2005
(Age in years)

Group	1962	1970	1979	1992	1995	2000	2005
Total	40.5	39.0	34.7	37.2	37.8	39.2	40.5
Men	40.5	39.4	35.3	37.3	37.8	39.2	40.4
Women	40.4	38.3	33.9	37.2	37.8	39.3	40.5
White	40.9	39.3	34.9	37.5	38.0	39.6	40.9
Black[a]	38.3	36.6	33.3	35.6	36.3	37.7	38.8
Asian and other races[b]	(c)	(c)	33.1	30.5	36.9	37.6	38.3
Hispanic origin[d]	(e)	(e)	(e)	33.9	34.1	35.3	35.8

[a] For 1962 and 1970: black and other.

[b] The "Asian and other race" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historical data are derived by subtracting "black" from the "black and other" group.

[c] Data not available before 1972.

[d] Persons of Hispanic origin may be of any race.

[e] Data for Hispanic origin were not available before 1980.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table D-6. Three projections of the civilian labor force by sex, age, race, and Hispanic origin, 2005

Group	Participation rate (percent)			Level (thousands)		
	High	Moderate	Low	High	Moderate	Low
Total	70.1	68.8	67.3	156,454	150,516	147,252
Men	75.8	74.7	73.6	81,062	78,718	77,558
Women	65.0	63.2	61.4	75,391	71,798	69,694
16 to 24 years	69.1	67.5	65.6	25,315	24,127	23,436
25 to 54 years	88.9	87.8	86.4	108,726	105,054	103,348
55 years and older	34.9	33.6	32.3	22,413	21,335	20,469
White, 16 years and older	70.5	69.5	68.1	128,961	124,847	122,478
Black, 16 years and older	68.2	66.2	64.0	18,022	17,395	16,820
Asian and other, 16 years and older[a]	68.9	66.6	64.0	9,470	8,274	7,954
Hispanic, 16 years and older[b]	70.9	68.4	66.0	18,286	16,581	16,006

[a] The "Asian and other" group includes (1) Asians and Pacific Islanders and (2) American Indians and Alaskan natives. The historical data are derived by subtracting "black" from the "black and other" group.

[b] Persons of Hispanic origin may be of any race.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table E-1. Number of participants served under JTPA Titles II-A, II-B, and III by State: Program Year 1990 (for Title II-A and Title III data) and Fiscal Year 1991 (for Title II-B data)

State	Title II-A (PY 1990)	Title II-B (FY 1991)	Title III (PY 1990)
U.S. Total	1,095,671	555,198	290,292
Alabama	16,183	9,620	5,207
Alaska	2,988	1,033	644
Arizona	10,736	5,396	6,732
Arkansas	21,865	6,968	3,999
California	100,625	52,106	15,365
Colorado	18,655	6,054	7,658
Connecticut	3,983	4,246	1,481
Delaware	1,857	1,312	489
District of Columbia	1,471	5,117	692
Florida	72,457	23,691	10,068
Georgia	18,983	10,692	11,466
Hawaii	2,237	1,162	664
Idaho	6,321	1,778	1,335
Illinois	47,387	29,235	16,498
Indiana	20,914	8,364	5,229
Iowa	9,775	3,152	3,462
Kansas	5,701	2,042	1,002
Kentucky	34,624	11,204	15,643
Louisiana	43,255	19,248	9,037
Maine	3,469	1,463	1,654
Maryland	26,836	5,696	4,304
Massachusetts	9,521	8,574	11,238
Michigan	50,316	25,615	13,094
Minnesota	21,223	5,432	6,841
Mississippi	23,615	10,293	5,381
Missouri	9,899	9,320	8,925
Montana	4,581	1,470	1,665
Nebraska	3,477	1,240	660
Nevada	3,881	1,121	1,008
New Hampshire	2,654	644	425
New Jersey	16,116	12,192	2,157
New Mexico	11,526	5,053	3,144
New York	49,206	44,143	11,522
North Carolina	20,032	6,218	5,677
North Dakota	2,512	1,290	567
Ohio	54,652	24,389	11,867
Oklahoma	13,424	5,630	3,982
Oregon	11,869	3,832	3,320
Pennsylvania	46,645	18,925	9,634
Rhode Island	2,439	1,386	797
South Carolina	10,888	6,298	4,556
South Dakota	4,990	1,586	604

See footnote at end of table.

Table E-1. Number of participants served under JTPA Titles II-A, II-B, and III by State: Program Year 1990 (for Title II-A and Title III data) and Fiscal Year 1991 (for Title II-B data) (continued)

State	Title II-A (PY 1990)	Title II-B (FY 1991)	Title III (PY 1990)
Tennessee	30,417	8,863	5,593
Texas	85,962	32,658	25,251
Utah	4,982	2,095	1,196
Vermont	2,858	1,642	1,039
Virginia	16,774	7,433	3,220
Washington	24,163	7,030	4,695
West Virginia	15,908	8,178	4,906
Wisconsin	20,362	14,208	10,541
Wyoming	2,176	774	430
Puerto Rico	38,281	68,087	3,728

Source: U.S. Department of Labor, Employment and Training Administration. For Title II-A: JTPA Annual Status Report (April 19, 1993); for Title II-B: JTPA Summer Performance Report (April 19, 1993); for Title III: JTPA Annual Status Report and Worker Adjustment Annual Program Report (March 23, 1993). Title II-B data are for Service Delivery Areas' programs during the summer of 1991.

Table E-2. Expenditures Under JTPA Titles II-A and II-B by State: Program Year 1990 (for Title II-A Data) and Fiscal Year 1991 (for Title II-B Data)

State	Title II-A PY 1990	Title II-B FY 1991
U.S. Total	$1,732,725,010	$686,314,582
Alabama	41,399,589	15,845,524
Alaska	6,046,817	2,205,737
Arizona	24,938,514	9,089,230
Arkansas	26,199,784	9,640,906
California	184,830,383	73,161,118
Colorado	25,496,753	9,043,187
Connecticut	8,282,502	5,455,116
Delaware	4,487,705	1,889,353
District of Columbia	4,806,878	4,949,260
Florida	67,699,274	31,631,175
Georgia	42,448,782	16,105,505
Hawaii	4,960,113	1,839,173
Idaho	8,939,450	2,863,697
Illinois	92,213,981	37,275,036
Indiana	29,051,466	12,992,404
Iowa	15,514,040	5,388,265
Kansas	7,989,649	2,810,063
Kentucky	41,432,261	13,932,773
Louisiana	67,395,638	23,871,989
Maine	5,103,959	2,259,192
Maryland	20,287,306	6,926,286
Massachusetts	18,117,769	11,339,648
Michigan	92,564,238	39,391,850
Minnesota	19,465,274	7,403,015
Mississippi	33,752,229	13,665,619
Missouri	34,651,508	13,768,438
Montana	7,864,243	2,531,235
Nebraska	5,758,997	1,829,430
Nevada	5,875,325	2,034,622
New Hampshire	4,241,304	1,726,899
New Jersey	30,389,552	14,135,454
New Mexico	15,170,867	4,975,645
New York	98,264,823	46,792,654
North Carolina	25,285,690	9,015,998
North Dakota	4,168,873	1,726,430
Ohio	74,890,352	31,545,125
Oklahoma	24,808,707	8,775,332
Oregon	18,921,951	6,663,764
Pennsylvania	65,419,993	23,214,160
Rhode Island	3,717,757	2,453,519
South Carolina	18,202,411	6,959,787
South Dakota	4,093,092	1,804,085

See footnote at end of table.

Table E-2. Expenditures Under JTPA Titles II-A and II-B by State: Program Year 1990 (for Title II-A Data) and Fiscal Year 1991 (for Title II-B Data) (continued)

State	Title II-A PY 1990	Title II-B FY 1991
Tennessee	36,980,173	13,075,105
Texas	159,897,855	54,500,739
Utah	8,531,300	2,890,556
Vermont	4,173,986	2,261,950
Virginia	26,038,642	11,255,174
Washington	34,429,033	13,137,783
West Virginia	22,924,199	7,717,661
Wisconsin	28,063,377	9,151,690
Wyoming	5,389,367	1,759,748
Puerto Rico	71,147,279	29,636,478

Source: U.S. Department of Labor, Employment and Training Administration (JTPA Semiannual Status Report [April 19, 1993] and JTPA Summer Performance Report [April 19, 1993]). Title II-B data are for Service Delivery Areas' programs during the summer of 1991.

Table E-3. Formula and discretionary expenditures under JTPA Title III by State: Program Year 1990

State	PY 1990	
	Formula	Discretionary
U.S. Total	$341,768,433	$58,529,588
Alabama	9,400,261	1,277,442
Alaska	1,628,064	439,460
Arizona	5,012,933	831,812
Arkansas	4,036,031	765,863
California	30,078,518	4,180,109
Colorado	6,570,766	413,143
Connecticut	1,803,720	883,870
Delaware	293,641	46,734
District of Columbia	833,061	112,969
Florida	13,803,837	1,498,022
Georgia	8,306,867	1,796,669
Hawaii	452,318	153,518
Idaho	1,345,278	424,545
Illinois	21,811,595	3,028,681
Indiana	4,623,821	1,043,843
Iowa	2,210,511	2,442,893
Kansas	1,399,120	350,476
Kentucky	8,667,424	1,138,850
Louisiana	14,661,229	1,099,137
Maine	702,354	565,448
Maryland	3,327,466	1,393,862
Massachusetts	3,275,462	3,760,969
Michigan	22,977,546	1,600,428
Minnesota	3,183,732	2,904,702
Mississippi	7,115,249	479,464
Missouri	8,279,032	584,214
Montana	1,802,338	279,723
Nebraska	1,035,169	132,889
Nevada	1,113,341	161,288
New Hampshire	473,231	596,680
New Jersey	4,690,772	1,497,902
New Mexico	3,137,292	427,636
New York	14,606,013	2,194,002
North Carolina	3,724,019	292,875
North Dakota	508,032	284,469
Ohio	16,449,419	2,854,627
Oklahoma	5,507,751	481,290
Oregon	3,595,296	1,766,312
Pennsylvania	11,658,291	2,454,073
Rhode Island	526,077	504,733
South Carolina	2,397,689	357,819
South Dakota	517,633	422

See footnote at end of table.

Table E-3. Formula and discretionary expenditures under JTPA Title III by State: Program Year 1990 (continued)

State	PY 1990	
	Formula	Discretionary
Tennessee	6,173,303	408,386
Texas	40,218,545	4,032,955
Utah	1,142,292	941,333
Vermont	256,243	345,461
Virginia	3,752,145	531,989
Washington	7,556,273	713,784
West Virginia	5,620,214	671,931
Wisconsin	4,335,451	2,971,946
Wyoming	1,082,598	54,066
Puerto Rico	14,089,170	353,874

Source: U.S. Department of Labor, Employment and Training Administration (JTPA Semiannual Status Report and Worker Adjustment Program Quarterly Financial Report [March 23, 1993]).

Table E-4. Characteristics of individuals served by the Employment Service by State: Program Year 1990

State	Total applications	Women	Economically disadvantaged	Veterans
U.S. Total	19,199,466	8,128,163	2,732,916	2,464,829
Alabama	61,619	219,514	106,496	52,700
Alaska	97,181	38,338	7,283	13,910
Arizona	326,953	135,919	57,361	44,000
Arkansas	305,114	140,846	20,036	35,326
California	1,131,370	456,641	34,065	156,141
Colorado	293,149	117,681	45,144	46,070
Connecticut	301,050	117,460	35,289	37,353
Delaware	35,137	13,930	98	6,788
District of Columbia	96,953	45,382	25,437	8,616
Florida	1,058,899	454,387	33,135	130,653
Georgia	564,412	237,148	20,720	80,789
Guam	4,356	1,924	1,772	209
Hawaii	70,340	34,052	16,524	9,050
Idaho	135,343	58,731	12,349	15,976
Illinois	880,091	349,321	131,450	103,380
Indiana	417,736	173,832	70,037	66,094
Iowa	303,445	134,106	22,036	30,600
Kansas	205,585	84,069	17,561	25,320
Kentucky	393,977	172,430	109,938	48,225
Louisiana	354,760	160,153	35,526	37,949
Maine	146,827	57,287	2,415	19,710
Maryland	221,972	92,208	19,017	33,931
Massachusetts	308,675	123,964	78,539	30,687
Michigan	728,121	269,391	167,321	120,659
Minnesota	327,945	133,693	26,289	45,115
Mississippi	319,485	154,792	40,230	29,402
Missouri	561,929	244,432	222,271	76,563
Montana	107,615	45,827	1,939	14,700
Nebraska	120,351	53,889	11,951	15,361
Nevada	97,687	33,232	915	23,187
New Hampshire	71,982	26,980	9,161	13,577
New Jersey	444,236	200,734	80,027	45,478
New Mexico	139,389	56,497	38,454	21,470
New York	767,213	320,780	243,499	90,969
North Carolina	746,169	360,625	75,523	87,038
North Dakota	95,750	45,745	4,325	7,992
Ohio	585,529	233,381	144,408	95,299
Oklahoma	322,974	135,029	46,030	48,536
Oregon	307,085	119,162	1,203	46,710
Pennsylvania	640,229	255,740	104,100	100,945
Puerto Rico	224,354	99,224	192,725	8,294
Rhode Island	66,769	29,844	2,852	4,553
South Carolina	369,773	180,403	27,949	41,731

See footnote at end of table.

Table E-4. Characteristics of individuals served by the Employment Service by State: Program Year 1990 (continued)

State	Total applications	Women	Economically disadvantaged	Veterans
South Dakota	97,429	47,069	20,519	8,864
Tennessee	447,219	199,241	48,527	56,427
Texas	1,656,330	687,405	86,333	173,790
Utah	208,169	93,103	15,410	15,154
Vermont	75,434	32,040	11,494	7,239
Virgin Islands	10,513	5,648	4,436	382
Virginia	510,843	217,570	12,210	78,741
Washington	415,730	171,251	88,228	72,547
West Virginia	177,829	70,445	49,991	24,189
Wisconsin	363,530	155,137	46,176	45,774
Wyoming	76,911	30,531	6,192	10,666

Source: U.S. Department of Labor, Employment and Training Administration.

Table E-5. Selected services provided to applicants by the Employment Service by State: Program Year 1990

State	Referred to Jobs	Placed in Jobs	Referred to Training	Placed in Training	Counseled
U.S. Total	7,456,884	2,705,202	317,668	114,903	663,736
Alabama	213,386	91,599	5,471	1,803	2,465
Alaska	46,283	21,560	530	245	3,299
Arizona	132,244	35,456	2,448	541	4,388
Arkansas	143,143	63,561	76	1	1,963
California	470,753	210,228	5,878	2,488	8,245
Colorado	127,280	46,493	5,023	1,475	4,492
Connecticut	81,035	14,327	7,258	789	9,682
Delaware	8,791	3,237	388	256	1,060
District of Columbia	33,645	22,264	4,574	3,175	19,470
Florida	531,823	134,182	9,059	3,683	16,596
Georgia	220,943	76,765	7,294	1,846	43,886
Guam	1,500	1,083	869	555	-
Hawaii	27,467	8,084	2,045	967	2,293
Idaho	83,309	33,470	687	892	3,659
Illinois	231,021	117,987	15,630	2,920	6,091
Indiana	164,904	40,241	14,313	2,660	1,974
Iowa	163,862	67,023	17,289	2,712	9,112
Kansas	91,856	31,295	8,493	1,800	9,363
Kentucky	149,991	71,631	19,333	12,459	43,752
Louisiana	132,788	50,626	4,609	1,595	3,380
Maine	46,211	10,534	4,571	709	674
Maryland	73,078	27,931	3,747	2,530	112,777
Massachusetts	117,179	27,006	5,696	2,061	15,321
Michigan	110,219	56,710	3,364	1,348	23,060
Minnesota	148,949	56,201	1,192	443	3,538
Mississippi	127,771	55,143	11,786	10,667	9,827
Missouri	224,344	66,058	17,123	5,102	10,623
Montana	56,658	22,954	3,911	570	6,585
Nebraska	71,829	33,112	1,910	726	8,160
Nevada	53,125	13,954	1,259	1,159	3,052
New Hampshire	26,955	6,209	1,144	400	3,479
New Jersey	62,334	20,592	14,366	1,771	15,066
New Mexico	44,509	23,955	2,392	1,683	20,024
New York	196,473	75,276	8,167	5,502	44,362
North Carolina	390,568	133,238	5,424	2,006	16,199
North Dakota	64,004	26,691	7,308	1,498	6,524
Ohio	152,836	44,995	5,366	1,834	7,793
Oklahoma	112,669	44,805	41,925	5,591	10,450
Oregon	145,158	45,828	1,828	404	19,598
Pennsylvania	230,134	81,687	6,673	3,522	5,199
Puerto Rico	32,410	18,962	771	534	8,195
Rhode Island	17,301	5,000	636	153	1,655
South Carolina	189,635	65,347	2,555	1,240	4,458

See footnote at end of table.

Table E-5. Selected services provided to applicants by the Employment Service by State: Program Year 1990 (continued)

State	Referred to Jobs	Placed in Jobs	Referred to Training	Placed in Training	Counseled
South Dakota	67,452	31,497	339	827	3,762
Tennessee	185,394	47,724	6,304	3,339	2,507
Texas	704,414	274,402	6,656	6,395	57,291
Utah	132,365	50,932	436	405	9,357
Vermont	22,471	5,030	263	51	1,646
Virgin Islands	4,214	1,930	-	-	1,546
Virginia	176,757	55,207	583	864	1,945
Washington	158,923	57,790	7,284	3,078	19,940
West Virginia	61,772	22,254	6,949	4,381	6,327
Wisconsin	144,665	36,189	921	361	4,779
Wyoming	48,084	18,947	3,552	887	2,847

Source: U.S. Department of Labor, Employment and Training Administration.

Table E-6. Regular State unemployment insurance benefit data: U.S. totals, FY 1989-1991, and by State for 12 months ending September 30, 1991

Fiscal Year/State	Initial Claims	Average Weekly Unemployed	% of Covered Unemployment	Total Beneficiaries	Average Weekly Beneficiaries	Avg. Weekly Wage	Average Weekly Benefit	% Avg. Weekly Wage	Potential Weeks of Benefits	Actual Weeks of Benefits	Exhaustees Weeks of Benefits	Number of Exhaustees	Exhaustees as % of Recipients
1989	16,410,001	2,096,697	2.0	7,089,977	1,820,297	424.37	149.37	35.2	24.4	13.4	22.9	1,913,937	28.0
1990	18,889,811	2,387,234	2.2	8,091,439	2,109,745	442.19	159.56	36.1	23.8	13.6	23.1	2,192,132	28.4
1991	23,269,783	3,226,114	3.1	10,147,281	2,879,863	461.16	168.54	36.5	25.3	14.8	23.2	3,187,381	33.5
Alabama	439,652	41,414	2.7	179,970	36,161	396.30	118.66	29.9	24.3	10.4	22.9	35,067	20.0
Alaska	86,933	12,623	5.8	42,760	12,535	583.66	168.07	28.8	20.7	15.2	20.0	19,976	50.4
Arizona	210,023	32,361	2.2	94,187	26,282	418.72	141.43	33.8	23.1	14.5	22.0	28,324	32.5
Arkansas	250,859	30,750	3.5	102,981	25,141	356.00	136.94	38.5	23.7	12.7	23.1	26,306	26.6
California	3,561,661	504,769	4.0	1,471,393	452,698	520.49	141.37	27.2	29.6	16.0	23.9	475,023	35.6
Colorado	157,904	24,865	1.7	80,202	18,968	449.47	171.30	38.1	22.3	12.3	16.4	28,750	38.7
Connecticut	333,764	59,134	3.9	187,726	57,024	582.36	204.82	35.2	26.0	15.8	26.0	63,330	38.2
Delaware	65,410	7,460	2.2	29,019	7,772	468.52	184.45	39.4	25.7	13.9	25.8	4,623	17.1
Dist. of Col.	46,391	11,431	2.6	30,564	11,620	625.06	220.11	35.2	24.9	19.8	24.7	16,027	58.3
Florida	624,029	112,453	2.2	337,874	94,381	413.38	156.22	37.8	21.2	14.5	19.9	141,362	48.5
Georgia	549,209	65,264	2.3	287,616	62,144	435.13	148.46	34.1	38.9	11.2	20.8	100,312	35.2
Hawaii	62,828	7,226	1.4	28,328	6,808	452.90	209.07	46.2	26.0	12.5	26.0	5,174	20.7
Idaho	111,337	13,403	3.5	46,187	10,240	369.37	151.61	41.0	19.8	11.5	16.8	12,843	29.9
Illinois	905,319	149,044	3.0	418,430	135,109	498.55	178.23	35.7	26.0	16.8	26.0	141,906	36.6
Indiana	458,833	45,822	1.9	177,476	36,448	424.34	110.40	26.0	23.0	10.7	20.1	41,536	25.5
Iowa	181,566	23,640	2.0	96,144	21,742	374.54	165.87	44.3	22.8	11.8	21.6	20,133	22.5
Kansas	164,896	22,364	2.2	73,553	20,192	395.45	175.34	44.3	22.8	14.3	21.7	23,164	31.8
Kentucky	410,481	40,035	2.9	155,310	38,151	391.12	144.28	36.9	26.0	12.8	26.0	29,310	19.9
Louisiana	244,625	33,646	2.2	101,031	27,092	404.65	108.75	26.9	26.0	13.9	26.0	24,664	26.7
Maine	182,756	25,233	5.1	72,419	21,337	390.17	163.51	41.9	21.9	15.3	21.5	27,946	41.4
Maryland	320,466	59,582	3.1	160,820	49,701	480.86	177.75	37.0	26.0	16.1	26.0	48,973	34.7
Massachusetts	626,610	127,089	4.7	329,607	115,754	530.77	221.00	41.6	27.4	18.3	26.8	138,609	43.4
Michigan	1,422,609	153,760	4.1	526,357	141,634	495.63	212.67	42.9	22.6	14.0	20.8	161,340	32.0
Minnesota	269,042	46,397	2.3	147,545	43,062	453.52	193.31	42.6	23.3	15.2	21.7	45,555	32.3
Mississippi	246,096	27,910	3.1	87,535	21,502	344.14	114.25	33.2	23.8	12.8	22.6	23,749	28.0
Missouri	571,840	64,729	3.0	206,600	55,971	423.73	141.31	33.3	22.4	14.1	21.1	62,773	31.2
Montana	53,894	8,485	3.1	25,554	6,819	344.74	142.43	41.3	18.8	13.9	18.0	8,702	33.9
Nebraska	70,054	8,562	1.2	32,644	6,967	364.82	124.66	34.2	23.3	11.1	16.9	8,163	27.6
Nevada	131,216	18,867	3.1	62,693	17,049	435.77	167.52	38.4	23.0	14.1	22.6	17,640	32.5
New Hampshire	83,992	14,606	3.1	56,050	12,741	446.41	129.78	29.1	26.0	11.8	26.0	6,147	12.4
New Jersey	692,695	131,047	3.9	369,889	124,880	564.24	215.61	38.2	23.9	17.6	23.2	167,109	48.1
New Mexico	68,243	12,170	2.3	32,272	9,585	347.81	130.72	37.6	25.7	15.4	25.2	10,104	34.9
New York	1,425,143	281,392	3.7	740,788	273,023	568.80	188.62	33.2	26.0	19.2	26.0	300,191	44.2
North Carolina	1,217,229	80,991	2.7	365,910	67,303	397.93	155.72	39.1	23.2	9.6	21.3	61,868	17.5
North Dakota	33,006	4,417	1.8	15,782	3,682	340.09	143.28	42.1	19.7	12.1	16.2	5,603	37.3
Ohio	1,001,499	127,097	2.7	416,242	110,577	446.19	175.49	39.3	25.6	13.8	25.3	98,889	25.9
Oklahoma	175,953	20,092	1.8	63,167	16,111	392.32	152.44	38.9	21.9	13.3	21.4	19,418	33.2

See footnote at end of table.

Table E-6. Regular State unemployment insurance benefit data: U.S. totals, FY 1989-1991, and by State for 12 months ending September 30, 1991 (continued)

Fiscal Year/State	Initial Claims	Average Weekly Unemployed	% of Covered Unemployment	Total Beneficiaries	Average Weekly Beneficiaries	Avg. Weekly Wage	Average Weekly Benefit	% Avg. Weekly Wage	Potential Weeks of Benefits	Actual Weeks of Benefits	Exhaustees Weeks of Benefits	Number of Exhaustees	Exhaustees as % of Recipients
Oregon	370,681	48,018	4.0	149,732	41,774	420.65	166.31	39.5	25.6	14.5	25.0	38,623	28.2
Pennsylvania	1,348,796	192,029	4.0	559,424	173,911	460.00	195.54	42.5	25.9	16.2	25.8	153,549	29.5
Puerto Rico	238,886	49,647	5.9	124,980	38,889	253.62	81.37	32.1	20.0	16.2	20.0	70,651	56.3
Rhode Island	151,470	24,042	5.8	69,939	21,925	434.75	202.47	46.6	22.4	16.3	21.1	29,619	44.1
South Carolina	449,075	39,324	2.7	151,435	31,876	383.96	138.95	36.2	23.6	24.8	.0	32,751	23.1
South Dakota	20,972	2,286	.8	8,444	1,681	316.76	120.40	38.0	25.0	10.3	24.6	765	9.7
Tennessee	536,628	62,746	3.0	244,956	54,832	402.72	117.05	29.1	22.8	11.6	22.7	69,605	24.7
Texas	794,646	127,851	1.9	393,333	112,123	446.00	168.44	37.8	20.9	14.8	20.1	159,578	44.1
Utah	69,283	9,683	1.4	37,814	8,366	388.09	166.41	42.9	20.6	11.5	19.1	10,039	28.8
Vermont	56,281	10,342	4.3	30,696	9,213	402.57	152.13	37.8	26.0	15.6	25.7	6,829	23.6
Virgin Islands	2,928	438	1.0	1,648	381	415.18	143.92	34.7	23.8	12.0	24.9	367	29.6
Virginia	539,421	44,098	1.7	183,075	40,032	439.51	154.47	35.1	21.7	11.4	20.3	41,734	22.2
Washington	564,487	77,560	3.7	227,401	67,408	449.17	175.88	39.2	26.2	15.4	24.2	57,788	28.0
West Virginia	108,737	21,779	3.7	66,797	18,343	402.77	158.00	39.2	26.0	14.3	25.8	15,522	25.5
Wisconsin	528,504	62,674	2.9	234,742	58,073	414.13	175.56	42.4	24.7	12.9	21.6	46,777	21.5
Wyoming	30,925	3,466	1.9	10,240	2,828	386.45	160.65	41.6	22.1	14.4	20.0	2,575	27.0

Source: U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance Service, September 14, 1993.

*U.S. G.P.O.:1994-301-227:24601

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